

Draft: ANNUAL REPORT



2016/17

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Chapter 1

CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

a. Vision

In preparation for the new Council, elected after the 2016 Municipal Election, the previous Council analysed the progress made since 2006 when the current governing party took control of the municipality.

The outcome of this stocktaking was articulated at a final strategic session of the previous council and resulted in a good governance "legacy document" left for the new council.

The "testament" explained the key challenges facing the new council and also offered advice on how certain threats should or could be managed.

The primary conclusion was that the Councils formed after the elections of 2006 and 2011 succeeded with a turnaround strategy and the completion of thereof.

The previous council furthermore resolved that the new Council will have to shift from a mode of turn-around and good governance to a vision and thrust for excellent service delivery, organisational growth and community and local economic development.

I. Game changers to achieve the vision

To achieve the vision the new council and the municipal administration had to find solutions for the following game changing challenges and or matters:

1. Municipal sustainability regarding finances and continued service delivery.
2. Implementing the vision of development and growth with the support of communities and stakeholders.
3. Support community growth and development.
4. Creating an environment in which people can live in safety and peace.
5. Support the development of political stability especially as the country and Theewaterskloof is in a continuous cycle of national, provincial and municipal elections; as well as by-elections.
6. Enhance the stability of the municipal administration.
7. Deal effectively with emigration of people from other provinces and districts to Theewaterskloof.
8. Enhance financial sustainability.
9. Deal effectively with ageing infrastructure as to ensure continued service delivery.
10. Down manage the gap between municipal abilities and capacities and public expectations from the authority.
11. Fast track holistic community and local economic growth and development.

II. How to achieve the game changers

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To achieve the game changes and the vision of institutional, community and local economic growth and development, the current Council decided at a strategic session, held shortly after the 2014 elections, to restructure the organisation so that the municipality can become developmental and capable of igniting community and local economic development and growth.

In the 2016/2017-year Council adopted a restructuring model and commenced with implementing it. The intervention will be concluded in the 2017/2018 year.

Taking a developmental approach also allowed the council and municipal administration to:

- Succeed with sustainable holistic good municipal governance and service delivery.
- Establish a developmental third tier government, stable and growing communities and local economic growth and development.
- Provide, develop and promote equal opportunities for everyone to stay in a safe, healthy, crime free, economically stable and viable environment; and to achieve this through transparent and effective governance, political stability, planning, services and the efficient and effective utilization of resources"

III. Key Strategic Objectives

Refer to the challenges and matters mentioned in game changers to achieve the vision. The overall strategic objective is to succeed with the eleven elements of development and growth.

IV. Key Strategic Outcomes

- Sustainable municipality.
- Developing and growing communities.
- Functional stakeholder relations and participation in a model of participative local governance.
- An environment conducive for growth and development.
- An environment of political stability and maturity.
- An effective municipal administration that provides excellent services in a milieu of growth, development and financial sustainability.
- Growing infrastructure that supports community and local economic growth and development.
- Synergy between municipal abilities and public expectations.

b. Key Policy Developments:

c. Key Service Delivery Improvements

Service delivery is largely based on infrastructure and in this regard the municipality had to mitigate several challenges that relates to insufficient bulk services infrastructure. The municipality identified a need to upgrade existing infrastructure which is on the verge of collapsing, to increase the capacities of existing infrastructure and to build new and additional infrastructure.

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Insufficient funding remains a challenge and the municipality adopted an approach to create a reserve funds from which infrastructure can be upgraded and built.

An approach was also adopted to obtain state funding for infrastructure development in areas where people pays taxes and tariffs and in grant-funded areas.

These approaches were implemented with various levels of success and in accordance with the infrastructure development plan and register and the budget for the 2016/2017 financial year.

The Capital Budget decreased from R79,791 million (adjustment) in 2015/16 to R71,646 million (adjustment) in 2016/17 and were primarily spent on maintenance and upgrades regarding sewerage, refuse, water, electricity, roads and storm water, housing and libraries.

TWK municipality continued the practice of Service Level Agreements and public involvement in service delivery. SLA's are public driven in terms of evaluation of service delivery levels performed by local town managers and determining outcomes. These outcomes are used to improve the level of services rendered to communities.

The municipality owns pieces of land that is utilized for sport disciplines like rugby, soccer, golf, tennis, squash, pigeon flying and bowls. These facilities are in Caledon, Botrivier, Villiersdorp, Grabouw, Greyton, Genadendal, Riviersonderend, Boschmanskloof, Bereaville and Voorstekraal. In most cases these facilities are maintained by the municipality; whilst it is often upgraded or repaired.

d. Public Participation

The municipality adhered to various pieces of public participation legislation and policies to comply with legal requirements to make development plans and services more relevant to local needs and requirements, to take responsibility for services and to promote community actions and to empower local communities to have better control over their lives and livelihoods.

The municipal focus on community development and growth includes interventions to broaden democracy by involving communities in third tier governance. The focus ensures that policy framework are in place for public participation and that mechanisms exists for the public to participate in local government.

The municipal approach to public participation allows for compliance with the principles of inclusivity, diversity, building community participation, transparency, integration, flexibility, accessibility and accountability.

Council upheld and monitored client care and customer relations strategies to create functional relations between the client; and the municipal administration and political authority.

A new strategic approach was developed and adopted to make ward committees more accessible for communities. This approach was developed in articulation with the Western Cape Provincial Government to improve the relevance of ward committees. The crux is to

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ensure that communication flows from the community to the committees, from the committees to management and council and all the way back again to communities.

e. Future Actions

The future of sustainable municipal governance and service delivery in Theewaterskloof hinges on the successful implementation of the restructuring model; mitigating of the eleven key challenges and matters facing the municipality and achieving the anticipated and needed outcomes.

Interventions will therefore focus on what is needed to ensure long term effective and sustainable governance in Theewaterskloof; i.e. institutional development, community growth and local economic enhancement.

The emphasis on future actions will be to contribute towards the establishment of happy communities who are socially developmental and in partnership with the local government.

Interventions will be launched to involve role-players in local governance and to partner with these role-players in the development and growth of Theewaterskloof.

All future actions will aim to enhance the socio economic and welfare profiles of communities, local economic growth and development and a developmental third tier government. Actions will be launched to manage financial sustainability, emigration, collapsing infrastructure, public expectations and communities who are socially and economically challenged.

f. Conclusion

Local government is where the people and the leaders of the country meet on ground level; it is also the place where people articulate their most basic needs. In the past year the municipality created good relationships and communication tools with the people of Theewaterskloof.

There is understanding for the need to create an environment where the people can live and play with greater freedom. To facilitate this, the municipality adopted, as primary driving forces, the challenge to become developmental as suggested by the National Development Plan and the Provincial Development Strategies.

As the Executive Mayor of Theewaterskloof Municipality I treasure the people of the municipal area who provide us an opportunity to serve them.

I treasure a committed Mayoral Committee, Council and administration.

I praise The Lord for guide over us wherever we go and in whatever we do.

Councillor Christelle Vosloo
Executive Mayor

CHAPTER 1

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

In 2016/17, the final year of the third term of municipal government in Theewaterskloof, the local authority, in all its activities, complied with the Local Government: Municipal Systems Act 32 of 2000 and the Local Government: Municipal Structures Act 117 of 1998.

The 2016/17 report year was exceptional and, with the advice of the previous council, the new council, elected after the 2016 local elections, made key decisions to secure sustainable medium and long term local governance and service delivery in Theewaterskloof.

These decisions became the crux of the new mandate of the municipal corporate administration to proceed on a path to become developmental and to enhance community and local economic development and growth.

As the first intervention of this mandate the corporate administration of the municipality implemented an organizational restructuring model, approved by council, that changed the core focus from "turn around" and "good" to developing and "outstanding". This amended focus was imminent as "turn-around" had been completed and the challenges, facing the municipality, changed to such an extent that business as usual was no longer feasible. The municipality had to adopt its approach to local governance and structure to effectively deal with the new challenges.

The administration implemented a strategy that should be regarded as joint intervention of the previous and current councils to ensure a smooth transition from the third term to the fourth term of Theewaterskloof municipality.

Alignment of IDP with Council and Public Priorities

The municipality finalized the fourth cycle of the Integrated Development Plan (IDP) which was adopted by the new council for implementation on 1 July 2017.

The IDP reflects the inputs of communities, role-players and stakeholders, the organizational corporate administration, council, ward committees and town forums. In planning, drafting and debriefing phases of the IDP the public had ample opportunities to make inputs and to express their desires and needs. Subsequently the IDP and the budgets, to which it is linked, i.e. 2017/2018 and the two outer years, reflects the needs identified by the broader Theewaterskloof community.

The IDP process complied with high levels of integrity and transparency and the public was throughout alerted to the fact that only a small percentage of their needs would reflect in the said budgets. In the debriefing sessions it was clear that the communities understood the financial constraints of the municipality and that the best intention, to generate more opportunities, will result from the focus on institutional, community and local economic growth and development.

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The debriefing phase showed that the communities and municipality moved closer to each other in terms of needs and capacities. It also indicated acceptable levels of good will between the municipality, communities and the stakeholders.

Service delivery and infrastructure

Despite the financial and especially income sustainability challenges the municipality identified and dealt with in 2016/17, the operational structures of the municipality maintained acceptable levels of service delivery and infrastructure development, upgrading and maintenance.

Existing and new infrastructure enable the municipality to maintain its bulk services capacities. The municipality spent its Municipal Infrastructure Grants sensibly.

To extend its services to clients and to become more customer friendly the municipality developed help desks at all the town offices. These desks reflect the idiosyncratic nature of Theewaterskloof municipality, its people and the environment.

In terms of communication with the public the municipality extended its social media footprint. Website, Facebook and sms-communication were integrated with more traditional means of communication such as newsletters and as a result the municipality is in a better position to communicate in the language and idiom of the diverse community.

Financial sustainability

The matter of financial sustainability remains critical as the municipality receives less funding for grant funded areas from national government.

This creates a threat as the indigent population of Theewaterskloof is rapidly increasing as a result of migration of people from other provinces and regions to Theewaterskloof.

People who move to Theewaterskloof believe that they will find jobs in the Western Cape and when they don't they remain here and become dependent of the free services provided by the municipality. As a result the ratio between indigent households and clients who pay taxes and tariffs are now 53%: 47%.

Due to the stagnant national economy the municipality should plan for less income from national government and to escalate its own income through holistic local growth and development. This reality instigate the new focus on institutional, community and local economic growth and development and the establishment of partnerships with stakeholders.

Conservation of water and electricity

The municipality has a generic focus on and commitment to the responsible utilization of scarce resources. Theewaterskloof faced, and still does, one of the most severe droughts in its history. The water levels of dams and other water resources reduces due to the increased need of the growing population as well as two consecutive dry winters. In addition to call on the community to save water the municipality declared Level 4 Water Restrictions in an attempt to avoid a water crisis in the two years beyond this report period.

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The municipality is a limited distributor of electricity but is aware of the loss of large quantities of electricity due to theft. Illegal electricity connections in informal residential areas and those on land that had been invaded unlawfully is becoming endemic. The municipality is working with ESKOM and communities to find solutions for this phenomena.

Future challenges

Looking at the future the municipality identified several key matters to be dealt with in 2017/18:

- Municipal sustainability regarding finances and continued service delivery.
- Implementing the vision of development and growth with the support of communities and stakeholders.
- Support community growth and development.
- Creating an environment in which people can live in safety and peace.
- Support the development of political stability, especially as the country and Theewaterskloof is in continuous cycle of national, provincial and municipal elections, as well as by-elections.
- Enhance the stability of the municipal administration.
- Deal effectively with immigration of people from other provinces and districts to Theewaterskloof.
- Enhance financial sustainability.
- Deal effectively with ageing infrastructure as to ensure continued service delivery.
- Down manage the gap between municipal abilities and capacities and public expectations from the authority.
- Fast track holistic community and local economic growth and development.

Final remarks

I thank the Executive Mayors, Alderman Chris Punt and Councilor Christelle Vosloo, who respectively served prior and after the national municipal elections; and their Committees, for the supporting administration.

I thank the two Councils for their inputs and for the political stability they created.

I thank the team of directors and their employees who performed a great job under mostly very testing circumstances.

I thank the communities and stakeholders who worked with the municipality to grow and develop the organisation; as well as the community and the economy.

I thank our Heavenly Father for his guidance.

Jan Barnard
Acting Municipal Manager

Chapter 1

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

This report addresses the performance of the Theewaterskloof Municipality in respect of its core legislative obligations.

1.2.1 INTRODUCTION TO BACKGROUND DATA

The 2016/17 Annual Report reflects on the performance of the Theewaterskloof Municipality for the period of 1 July 2016 to 30 June 2017. The Annual Report is prepared in terms of Section 121(1) of the municipal Finance Management Act (MFMA), in terms of which the municipality must prepare an Annual Report for each financial year.

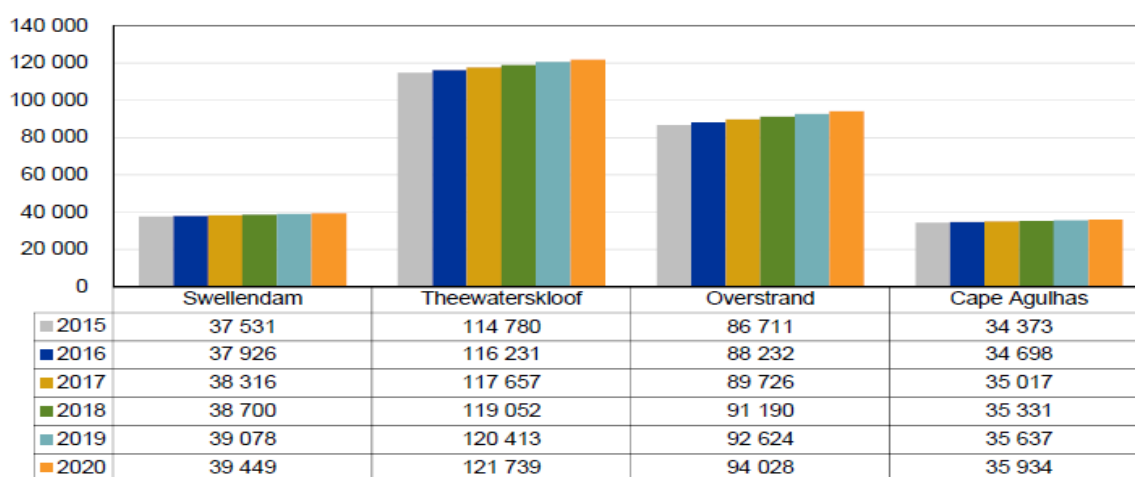
1.2.2 POPULATION

According to population estimates by the Department of Social Development, Theewaterskloof population is expected to grow from 114 780 in 2015 to 121 739 in 2020. The total equates to average annual growth of 1.2 percent and 6.1 percent increase from 2015 base estimate.

According to Census 2011, Theewaterskloof Local Municipality has a total population of 108 790 people, of whom 62.9% are coloured, 23.4% are black African, and 9.4% are white. The other population groups make up the remaining 4.3%.

Of those aged 20 years and older, 9.3% have completed primary school, 40.1% have some secondary education, 20.2% have completed matric, and 7.4% have some form of higher education, while 5.0% of those aged 20 years and older have no form of schooling

Figure 1 Overberg District municipalities: Population projections, 2015 - 2020



Source: Western Cape Department of Social Development, 2015

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1.2.2.1 TOTAL POPULATION

MUNICIPALITY	CENSUS 2001	COMMUNITY SURVEY 2007	CENSUS 2011	COMMUNITY SURVEY 2016	% GROWTH
Theewaterskloof	93 276	86 721	108 790	117 109	14%

1.2.2.2 TOTAL POPULATION

Ward	Black African	Coloured	Indian or Asian	White	Other	Grand Total	Ward	Male	Female	Grand Total
1	1395	6222	38	1535	65	9256	1	4730	4526	9256
2	312	7246	41	697	148	8443	2	4123	4320	8443
3	1402	9277	24	398	74	11174	3	5633	5541	11174
4	1180	3348	29	2487	59	7102	4	3650	3452	7102
5	4188	5369	101	1868	101	11627	5	6700	4927	11627
6	2711	3846	18	85	146	6805	6	3466	3339	6805
7	1685	5806	28	620	83	8223	7	4118	4105	8223
8	2603	2450	0	7	6	5066	8	2566	2500	5066
9	2018	5581	22	373	2	7995	9	4124	3871	7995
10	1409	3874	10	553	58	5904	10	3000	2904	5904
11	2072	2814	21	363	23	5293	11	2641	2653	5293
12	3070	4318	14	161	14	7576	12	3607	3970	7576
13	4713	8326	42	1025	218	14325	13	7105	7219	14325
Grand Total	28757	68478	387	10173	995	108790	Grand Total	55463	53327	108790

1.2.2.3 POPULATION CHARACTERISTICS

Population Size	Annual Growth Rate	2001	2011	¹Projected Population Estimates					
		2001	2011	2015	2016	2017	2018	2019	2020
Population Size		93 274	108 790	114 780	116 231	117 657	119 052	120 413	121 739
Population Growth	1.2%								

According to population estimates by the Department of Social Development, Theewaterskloof's population is expected to grow from 114 780 in 2015 to 121 739 in 2020. The total equates to average annual growth of 1.2 percent and 6.1 percent increase from the 2015 base estimate.

POPULATION GROUP	2001	2011	%Growth
African	21 204	28 757	35.6%
Coloured	61 370	68 478	11.58%
Indian/Asian	165	387	134.5%
White	10 540	10 173	-3.48%
Other		995	
Total Growth %			16.6%
Population Density Per Square Km	34 persons km²		

¹ Projection by Western Cape Department of Social Development, 2015

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The Coloured racial group was the largest group within the municipality in both 2001(61 370) and 2011(68 478), showing an 11.58 percent growth. The White racial group's share of the total population declined from 10540 in 2001 to 10 173 in 2011 whilst the African racial group's share of the total population has increased from 21 204 in 2001 to 28 757 in 2011. The Indian/Asian racial group is relatively small compared to the other groups although it's showing a steady growth.

GENDER DISTRIBUTION	2001	2011	%Growth
MALE	48 527	55 463	14%
FEMALE	44 749	53 327	19%
Males per 100 females	104		

Both 2001 and 2011 Census estimates shows that the males are the majority of the Theewaterskloof population, although the females have shown bigger growth in 2011.

AGE PROFILE	2015
0-14	25%
15-64	69%
65+	6%

The Statistics shows that a large share of the population can be located amongst the younger population and declines steadily amongst older age cohorts. Theewaterskloof municipality boasts with a relatively young population.

1.2.3 POPULATION

The total number of households within the municipal area increased from 21 572 households in 2012/13 financial year as per census 2011 data to a total of 28 884 in 2015/16 financial year.

In previous financial years the number of accounts was used to determine the number of households, in the 2014/15, census data was used to determine number of households. In 2016/17 the number of houses are reflected as contained in the latest socio economic profile conducted by the Western Cape Department of Social Development.

Households	2013/14	2014/15	2015/16	2016/17
Number of households in municipal area	28 884	28 884	28 884	33 097
Number of indigent households in municipal area	15 308	15 308	15 308	15 308
Percentage of indigent households in municipal area	53%	53%	53%	53%

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1.2.4 SOCIO ECONOMIC STATUS

The socio-economic information for the municipal area is as follows:

Housing Backlog		Employment								Household with no Income %	Literacy Rate
People on the Waiting List		Employed		Unemployed		Discouraged Work Seeker		Not economically Active			
People	%	People	%	People	%	People	%	People	%	11.8	78.4
8 593	7.9	40 568	53.8	7 076	9.4	1 968	2.6	25 851	34.6		

The official unemployment rate as per StatsSA Census 2011 for Theewaterskloof municipality is 14.9% excluding discouraged work seekers (18.3% if including them).

1.2.5 OVERVIEW OF NEIGHBOURHOODS WITHIN THE MUNICIPALITY

TOWN	CENSUS 2001		CENSUS 2011			
	WARD	POPULATION	POPULATION	NUMBER OF H/H	NUMBER OF H/H (FARMS)	% GROWTH
RIVIERSONDEREND	1	8534	9256	1477	1234	8.46
GREYTON / GENADENDAL	2	12304	8443	2582	0	-31.38
CALEDON	3	6566	11174	2805	0	70.17
CALEDON	4	9847	7102	859	1353	-27.88
VILLIERSDORP	5	9078	11627	1134	1621	28.08
VILLIERSDORP	6	8252	6805	2245	0	-17.53
BOTRIVIER	7	10320	8223	1579	514	-20.32
GRABOUW	8	2661	5066	1029	0	90.37
GRABOUW	9	18244	7995	126	1467	-56.18
GRABOUW	10	7473	5904	0 (FARM)	1397	-20.99
GRABOUW	11	N/A	5293	1552	0	0
GRABOUW	12	N/A	7576	1127	506	0
GRABOUW	13	N/A	14325	3796	0	0
	Total	93276	108790	20311	8093	14%

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1.2.6 NATURAL RESOURCES

Major Natural Resource	Relevance to Community
Kommieskraal rivier	This is the main water sources for Villiersdorp
Elandskloof	This is the main water sources for Villiersdorp
Tesselaarsdam Mountain Stream	This is the main water sources for Tesselaarsdal
Tesselaarsdam Borehole	This is the main water sources for Tesselaarsdal
Bethoeskloof stream	This is the main water sources for Tesselaarsdal
Greyton Nature Reserve in the Mountains of Greyton	Serves as hiking trails. Great attraction for tourism and hiking. Beautiful scenery and full of indigenous plants.
Caledon Wild Flower garden and Nature Reserve	Serves as hiking trails. Great attraction for tourism and hiking. Beautiful scenery and full of indigenous plants. People can also visit the Botanical Gardens.
Kogelberg Biosphere Reserve	Serves as hiking trails. Great attraction for tourism and hiking. Beautiful scenery and full of indigenous plants.
Theewaterskloof Dam	Sports & Recreation

1.2.7 COMMENT ON BACKGROUND DATA

The population data depicted above is based on the Census 2011 results therefore it does not give the true reflection of the municipal population. Current population projections shows that the municipality's population is annually growing at a rate of 1.5 percent.

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1.3. SERVICE DELIVERY OVERVIEW

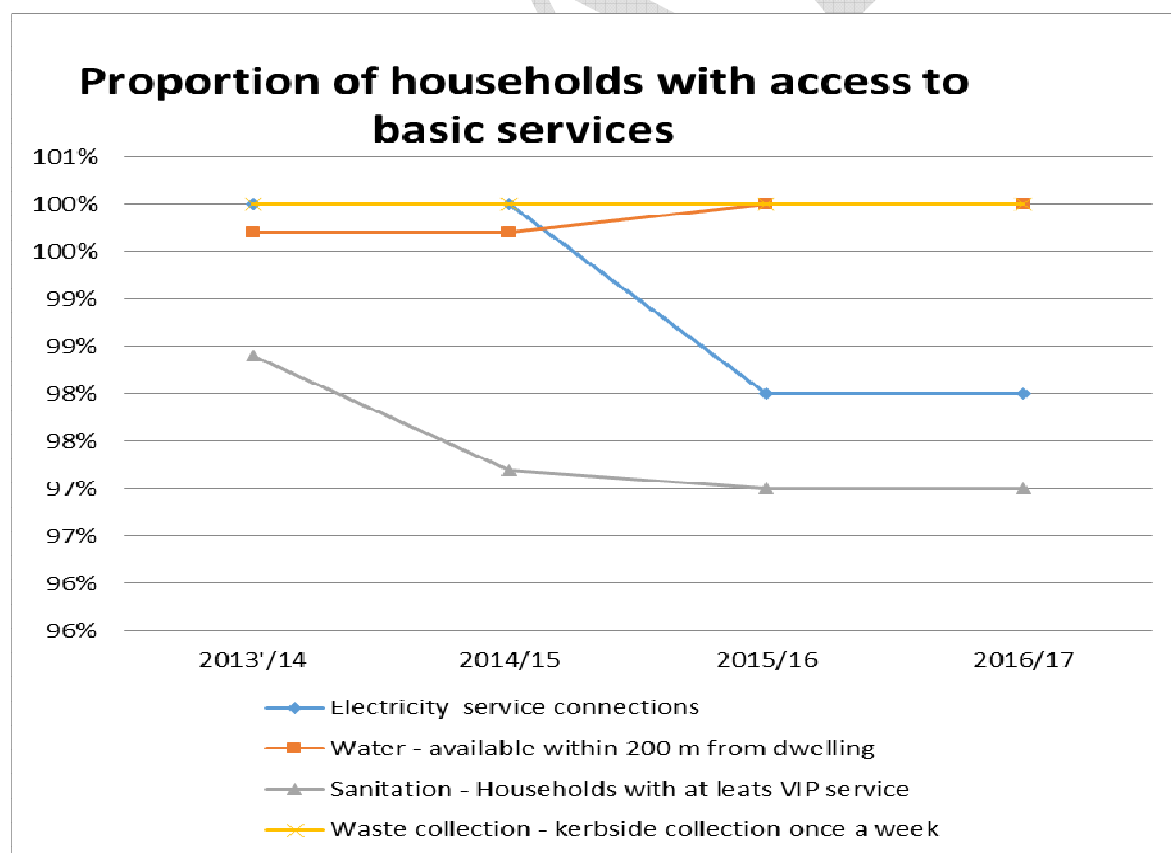
1.3.1 SERVICE DELIVERY OVERVIEW

There are no backlogs with respect to basic water and sanitation services in the urban areas of the municipality. It is however estimated that there might still be households on the farms and informal settlements with existing service levels below RDP standards.

1.3.2 PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES

The table and graph below depicts the proportion of households with minimum levels of basic services.

Proportion of Households with minimum level of Basic services	2013'/14	2014/15	2016/16	2016/17
Electricity service connections	100%	100%	98%	98%
Water - available within 200 m from dwelling	99.70%	99.70%	100%	100%
Sanitation - Households with at least VIP service	98%	97%	97%	97%
Waste collection - kerbside collection once a week	100%	100%	100%	100%



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1.4. FINANCIAL HEALTH OVERVIEW

1.4.1 FINANCIAL OVERVIEW

Four years ago Theewaterskloof Municipality was identified as the least financially sustainable municipality in the Western Cape. This was confirmed in a report released by Ratings Africa and also by the benchmarking tool developed by Provincial Treasury. In addition, the Auditor-General has also emphasized the financial health challenges in the draft management report on the annual financial statements for 2012/13.

During the strategic planning session of the newly elected Council, it was confirmed that financial sustainability remains the biggest challenge and hence the first priority of the Municipality.

The table below indicates the financial viability score of the municipality over the last 5 financial years.

Financial Sustainability Index	2013	2014	2015	2016	2017
Operating performance	12	18	20	17	58
Liquidity management	22	46	41	35	63
Debt governance	49	57	60	68	78
Budget position	33	39	57	54	58
Financial stability	27	41	43	41	64
Affordability	43	45	46	45	45
Infrastructure development	51	40	49	36	38
Sustainability Index score	34	41	45	41	56

***** Last updated December 2017 (Ratings Africa)

The financial viability score has increased significantly from 41 in 2015/16 to 64 in 2016/17. In comparison to the prior year; the net surplus, liability management, liquidity position, the amount of cash and cash equivalents as well as cash flows from operating activities have shown an improvement and had a positive effect on the financial viability rating.

This however does not mean that we are out of danger and continuous strict management decisions must be made to ensure that the ever remaining challenges are being addressed which include but is not limited to:

- Low debtors Collection Levels
- Electricity revenue supplies to the minority of towns and industrial consumers. This not only has a negative impact on the direct revenue from electricity sales but also impact negatively on debt collections revenue.
- Poor liquidity position
- Exposure to long term liabilities
- Lack of reserve funds
- High levels of capital expenditure
- Cost of Compliance – e.g. Municipal Standard Chart of Accounts (The mSCOA regulations were gazetted on 22 April 2014, which established the application of the mSCOA in local government as a legislated requirement. mSCOA will take effect on 1

CHAPTER 1

July 2017 and will thus impact the 2017-18 financial statements and audits of all local government auditees. The estimated cost of implementation for Theewaterskloof is in the region more than R7m.)

- Range of unfunded and under-funded mandates
- the migration phenomena
- errors in recent census results (contributing to the incorrect division of revenue from the national fiscus) It is estimated that the undercount could be in the region of 20% as the reality indicates that there are more likely to be 140 000 people in the area rather than the 108 000 indicated by the census.
- The amount of funds required to keep collapsing infrastructure from becoming collapsed infrastructure
- Narrow rates base and affordability of the municipal bill
- Water losses

The municipality has gone through great lengths to address the low collection rate. 2013/14 financial year saw the introduction of the Door to Door project, the main objective was to ensure that information contained on the financial system are accurate and reliable, this refers to both debtor data and services data. This project assisted in ensuring that the municipality collect all monies due to it and assisted the debt collection department to perform their function optimally and ultimately increase the collection rate. In addition, the Municipality has also embarked on a process to install smart water meters as a credit control tool especially in the Eskom supply areas. It is however imperative that the Genadendal Transformation issue be resolved as soon as possible to allow for data cleansing, credit control and debt collection to be implemented.

TWK is continuing to lobby (through SALGA) for a review of the fiscal model. The municipality is also one of the major role players in the attempts to either take over electricity distribution in its area from ESKOM or alternatively receiving revenue in the form of a surcharge from ESKOM and introducing a Service Delivery Agreement with ESKOM. This will improve revenue and debt collection ratios considerably. The municipality will continue to explore innovative methods to address its financial sustainability challenge. In addition, the Municipality is also lobbying SALGA to engage with CoGTA to amend section 118 of the Municipal Systems Act to enable municipalities to recover historic debt before a rates clearance certificate is issued. The establishment of a municipal court to attend to transgressions of municipal by-laws is another initiative that has been undertaken and that will assist the municipality to enforce by-laws.

The newly elected Council has also adopted a developmental approach of which economic development will be crucial to broaden the revenue base, to improve poverty levels and the unemployment rate.

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1.4.2 FINANCIAL OVERVIEW 2016/17

Financial Overview -2016/17			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income			
Grants	(164,928)	(163,143)	(132,960)
Taxes, Levies and tariffs	(263,505)	(274,412)	(279,799)
Other	(52,237)	(48,568)	(69,256)
Sub Total	(480,670)	(486,122)	(482,016)
Less Expenditure	468,448	468,797	432,724
Net Total*	(12,222)	(17,325)	(49,292)
* Note: surplus/(defecit)			T1.4.2

1.4.3 COMMENT ON OPERATING RATIOS

Operating Ratios	
Detail	%
Employee Cost	38%
Repairs & Maintenance	6%
Finance Charges & Depreciation	10%
	T1.4.3

The norm for Employee Related Cost to the Total Operating Budget range between 25% and 40% depending on various factors and circumstances. The 38% attained is within the National Norm. This is an increase of 3% from 2015/16 (35%).

The municipality realizes the importance of expenditure on maintenance to ensure that assets are used optimally throughout their operational life. The municipality has made a conscious decision to increase its expenditure on repairs and maintenance gradually over the next few financial years. Optimally the municipality would eventually want to meet the national norm for expenditure on repairs and maintenance currently at 8%. Repairs and Maintenance has shown positive movement from 5% in 2015/16 to 6% in 2016/17 illustrating the municipality's willingness to achieve the national benchmark.

It is important that this ratio is gradually increased taking into consideration maintenance plans, the state of infrastructure as well as affordability of the municipal bill. It is also important to note that the municipality's current expenditure vote structure does not accurately reflect the true cost of repairs and maintenance e.g. salaries of road maintenance teams are not included in repairs and maintenance. This will be addressed with the implementation of mSCOA. The municipality believes that the realignment of cost against the correct categories will show that the municipality are much closer (if not exceeding) to the national norm rather than the 6% as is currently indicated by this ratio.

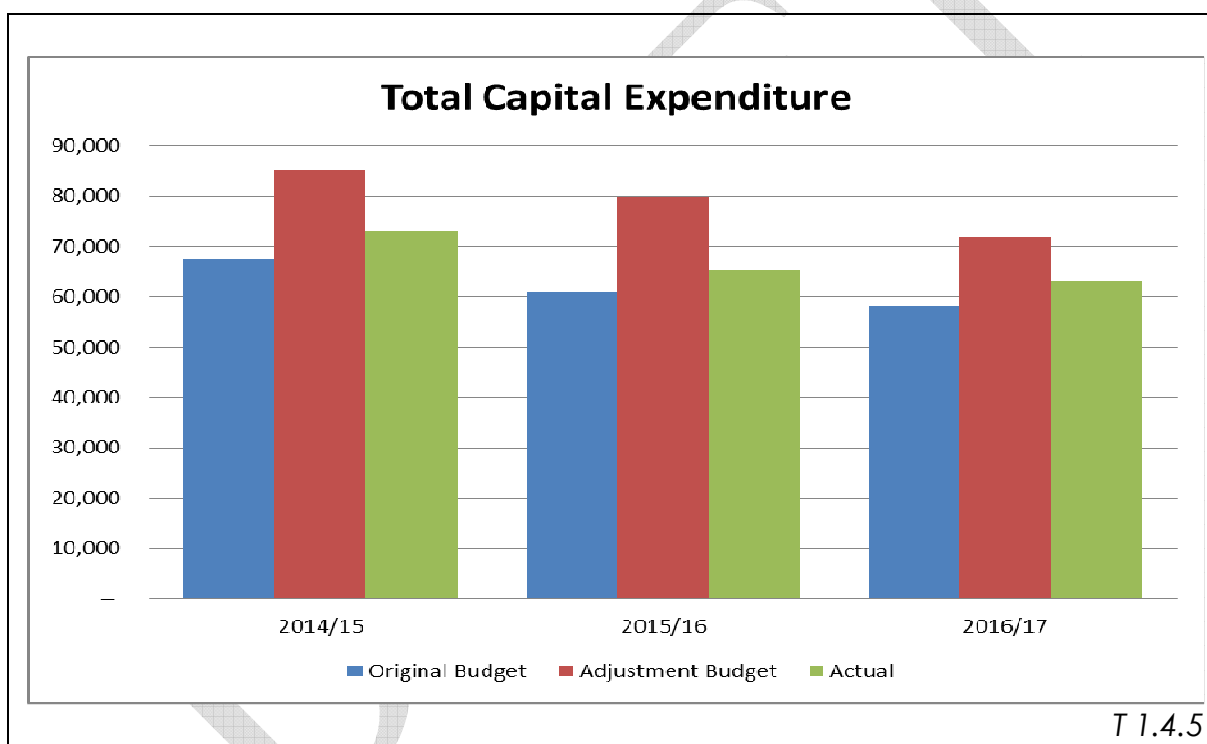
In 2012 a decision was taken that no further loans will be taken up. The ratio finance charges and depreciation as a percentage of operating expenditure increased from 9% in 2015/16 to 10% in 2016/17 as a result of depreciation on landfill sites

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1.4.4 TOTAL CAPITAL EXPENDITURE 2014-2017

Total Capital Expenditure : 2014 to 2017			
			R'000
Detail	2014/15	2015/16	2016/17
Original Budget	67,547	60,973	58,031
Adjustment Budget	85,177	79,791	71,646
Actual	73,127	65,231	63,010
			T1.4.4

1.4.5 CAPITAL EXPENDITURE



1.4.5.1 CAPITAL EXPENDITURE COMMENT

In 2016/17 Theewaterskloof municipality approved a capital budget of R 58, 031m which was adjusted to R 71, 646m.

The Adjustments Budget reaffirms the Municipality's commitment to achieve the service delivery targets and performance indicators as reflected in the approved service delivery and budget implementation plan. The capital expenditure budget has been readjusted. Due to various reasons some projects could not be completed in the 2016/2017 financial year and funds allocated must be rolled over.

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The following additional projects were provided for in the adjustments budgets:

- Caledon Cemetery - R 400,983.
- Grabouw Cemetery – R 379,387.
- Tesselaarsdal Stormwater – R 356,329.
- Grabouw pick up and drop off zone – R4, 623,200.
- New bulk water pipe line for low cost housing development at Water Works from R 438,600 to R 1, 392,035.
- New bulk water system for the ropsed low-cost housing development at Destiny Farm from R 614,040 to R1, 106,181.
- Repair and Replace Water pre-paid meters –R 2,818,849 Capital Replacement Reserve
- High Mast lighting for Grabouw – R 877,193.
- High Mast lighting for Destiny Farm – R 175,439.
- High Mast lighting for Riemvasmaak – R 350,878.
- Upgrade of Waste Water treatment works (Housing)- R 144,453.
- Replacement of existing bulk sewer pipe line between Caledon/Myddleton and the Waste Water treatment works from R 5,701,750 to R 6,964,454 and additional DBSA of R 1, 305,001.
- Upgrade Waste Water Treatment works- An additional amount of R 650,000 was allocated to the project
- Upgrade of Fleet –R 2,222,117 of which R 1,294,117 is loans and R 928,000 is capital out of Revenue.

The actual capital expenditure for the year 2016/17 amounted to R63m, effectively translating into an 88% capital budget spent.

The underspending was largely due to delays experienced with the following projects:

- Grabouw pick up and drop off zone: R 4,470,435.
- Steenbras Reservoir: R1, 017,406.
- Upgrade Waste Water Treatment works: R 1,909,214
- Upgrade of Fleet: R 979,490.

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

1.5.1 ORGANISATIONAL DEVELOPMENT PERFORMANCE

The objective of Organization Development is to improve the municipality's capacity in order to give effect to its service delivery mandate. This includes improved more effective communication, more effective decision making processes, more appropriate leadership style, improved skill in dealing with conflict, and higher levels of trust and cooperation among staff members. The workplace skills plan of the municipality has as its main aim the achievement of cost effective and efficient service delivery as well as:

- i. Providing learning opportunities for staff as well as members of the community through our learnership programmes
- ii. Providing opportunities for each staff member to develop to his / her full potential.
- iii. Seeking to increase the effectiveness of the municipality in terms of all of its strategies, objectives and goals.

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- iv. Providing opportunities for staff to influence the way in which they relate to work, the municipality, and the environment

1.6. STATUTORY ANNUAL REPORT PROCESS

PROCESS	Timeframe
AR & FS to AG • Submit 2016/2017 Draft Annual Report and Financial statements to Auditor General. • Compile and submit Municipal Audit file to the Auditor General	29 Aug 2017
Audit Report Receive audit report on annual financial statements from the Auditor General	30 Nov 2017
Table Draft AR & AFS Mayor tables draft AR and AFS at council	24 Jan 2018
Advertise draft AR & AFS for public input and place on municipal website	25 Jan 2018 – 23 Feb 2018
Advertise Oversight Committee Schedule inviting the Public to make presentations of the AR and AFS	25 January 2018
Portfolio Committee Meeting Submit Draft Annual Report to Portfolio Committees for inputs	30 & 31 Jan 2018 and 13;27;28 Feb 2018
1 st Oversight Committee Meeting Oversight Committee pose questions to Management to get clarity on the contents of the Annual Financial statements and the Annual Report (10h00)	06 Feb 2018
2 nd Oversight Committee Meeting Public hearings – The local community and any organ of state will be allowed to make representations on the annual report and AFS (10h00)	01 March 2018
3 rd Oversight Committee Meeting Preparation of the draft oversight report, taking into consideration the views and inputs of the public, representatives of the Auditor General, organ of states, Councils audit committee and Councillors (14h00)	08 March 2018
Oversight & Annual Report Adoption of Oversight report on AR & AFS by council	22 March 2018
Advertise approved Annual report- Place on Municipal Website	22 March 2018
Submission of Oversight & Annual Report to Provincial Treasury and Office of the Premier	22 March 2018
Annual Report Guidelines Forwards guidelines to all Corporate Directorates on the submission of the Annual Report info	12 June 2018

Chapter 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Good governance has 8 major characteristics namely:-

- participatory,
- consensus oriented,
- accountable,
- transparent,
- responsive,
- effective and efficient,
- equitable, and
- inclusive which follows the rule of law.

Through this corruption is minimized, the views of minorities are taken into account and the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Constitution section 151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.

2.1 POLITICAL GOVERNANCE

Note: MFMA section 52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality

The Council has 27 seats (14 Ward Councillors and 13 Proportional Representative (PR) Councillors. The Speaker, Councillor D Du Toit is the Chairperson of the Council. The Party Political and demographic representation of Councillors is reflected in the table below:

POLITICAL PARTY	ALLOCATION OF SEATS	GENDER	
		MALE	FEMALE
DA	14	9	5
ANC	10	5	5
ICOSA	1	1	0
EFF	1	0	1
UFEC	1	1	0

Chapter 2

2.1.1 POLITICAL STRUCTURE

Theewaterskloof Council consists of a total number of 27 Councillors, of which 14 are Ward Councillors and 13 Proportional Councillors.

EXECUTIVE MAYORAL COMMITTEE AND MEMBERS

Theewaterskloof Municipality is governed in terms of an Executive Mayoral Committee system. The Executive Mayor, Councillor C Vosloo, governs together with Deputy Executive Mayor, Councillor I Sileku and a team of five Portfolio committee Chairpersons



CHRISTELLE VOSLOO
MAYOR



ISAAC MBULELO SILEKU
DEPUTY MAYOR



DANIEL FRANCOIS DU TOIT
SPEAKER

EXECUTIVE MAYORAL COMMITTEE

We have 6 Portfolio Committees which is chaired by the following Executive Mayoral Committee Members.



JANE ARENDSE
CORPORATE SERVICES



MARTIE KOEGELENBERG
FINANCIAL SERVICES



PEARL STANFLIET
OPERATIONS PORTFOLIO



MEKIE PLATO-MENTOOR
DEVELOPMENT SERVICES



ISAAC MBULELO SILEKU
HUMAN SETTLEMENTS



KAREL PAPIER
TECHNICAL SERVICES

Chapter 2

Executive Mayor:
Cllr Christelle Vosloo

Function

- Is the Executive and Political Leader of the Municipality
- Is the Social and Ceremonial Head of Council
- Is the Chief Advisor of Council
- Responsible for identifying the needs of the Municipality
- Must monitor the Administrator
- Supervises the delivery of services
- Report to Council
- Budgetary responsibilities

DEPUTY MAYOR:
Cllr Mbulelo Sileku

The Deputy Mayor acts in the absence of the Executive Mayor

SPEAKER:
Alderman: D Du Toit

Is the chairperson of the Municipal Council and as such is authorized to dictate the proceedings during council meetings, though subject to the order rules, common law and constitutional prescripts. The Speaker is accountable to and reports to the Municipal Council. The Speaker must also ensure compliance with the Code of Conduct.

WHIP:
M Koegelenberg (DA)
C November (ANC)

Leads the Caucus meetings before Council meetings.

MAYORAL COMMITTEE:
Cllr K Papier
Cllr J Arendse
Cllr P Stanfliet
Cllr M Koegelenberg
Cllr M Plato-Mentoor

Portfolio Chair: Technical Services
Portfolio Chair: Corporate Services
Portfolio Chair: Financial Services
Portfolio Chair: Operations Services
Portfolio Chair: Development Services

The Mayoral Committee assist the Executive Mayor, serve him/ her with advice and take decisions with the Executive Mayor in respect of designated powers.

2.1.2 COUNCILLOR PROFILE

We have a total number of 27 Councillors of which 14 is Ward Councillors and 13 Proportional Councillors.

Refer to Appendix A where a full list of Councillors can be found (including committee allocations and attendance at council meetings).

Also refer to Appendix B which sets out committees and committee purposes.

Councillors, Committees Allocated and Council Attendance

Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Christelle Vosloo	Full Time		DA	90%	10%
Isaac Sileku	Full time	Human Settlement	DA	95%	5%
Danie Du Toit	Fulltime	Speaker	DA	100%	0%

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Pearl Stanfliet	Full time	Operations and Human Settlement	DA	95%	5%
Marlie Koegelenberg	Full time	Finance	DA	75%	25%
Mekie Plato-Mentoor	Full time	Development and Human Settlement	DA	95%	5%
Karel Papier	Full time	Technical Services and Human Settlements	DA	100%	0%
Jane Arendse	Full time	Corporate Services	DA	95%	5%
Stephan Potberg	Part time	Technical Services and Human Settlements	ANC	100%	0%
Nelis Lamprecht	Part time	Finance and Technical Services	DA	100%	0%
Ronald Brinkhuys	Part time	Technical Services and Operations	DA	95%	5%
Anthea Mentile	Part time	Corporate Services	ANC	95%	5%
Dawid Jooste	Part time	Development	DA	90%	10%
Thandeka Ndlebe	Part time	Human Settlement	ANC	95%	5%
Toto Sipunzi	Part time	Technical Services and Human Settlements	ANC	80%	20%
Mzwanele Bhangazana	Part time	Operations	ANC	75%	25%
Nicolaas Pieterse	Part time	Corporate Services and Operations	DA	90%	10%
Derrick Appel	Part time	Technical Services	ANC	100%	0%
Caroline Wood	Part time	Development and Operations	ANC	90%	10%
Rinah Mienies	Part time	Finance	ANC	95%	5%
Charles November	Part time	Finance	ANC	90%	10%
Brian Tshabe	Part time	Corporate services and Development	DA	100%	
Henry Syster	Part time	Development and Operations	ICOSA	90%	10%

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Thobinceba Tshungwana	Part time	Technical Services	ANC	95%	5%
Thozama Mangcayi	Part time	Corporate Services and Finance	EFF	65%	35%
Margaret Le Roux	Part time	Corporate services and Development	ANC	90%	10%
Samuel Fredericks	Part time	Finance	DA	90%	10%
Note: * Councillors appointed on a proportional basis do not have wards allocated to them					T A

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2.1.3 POLITICAL DECISION-TAKING

Meetings held during 2016/17 Financial Year are as follows:
Agenda-items were submitted as follows to the Council
1st Quarter – 83
2nd Quarter – 56
3rd Quarter – 58
4th Quarter – 89
Total = 286

Out of the 286 decisions taken, 285 were implemented with one resolution outstanding.

2.2 ADMINISTRATIVE GOVERNANCE

2.2.1 INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

MFMA section 60 (b): The Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

The Municipal Manager is the head of the administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the Management Team.

A key priority of the Management Team has been to establish a solid leadership core within the organisation which permeates through to middle and supervisory management levels. The Management Team Structure is outlined in the table below:

Name of Official	Department	Performance agreement signed	Appointment Status
		(Yes/No)	
Horace Wallace	Municipal Manager	Yes	Contract Expired – 02/10/2016
Joseph Isaacs	Director Corporate Services	Yes	Contract terminated - 07/12/2016
Davy Louw	Director Financial Services	Yes	Currently in service
Monwabisi Gxoyiya	Director Development Services	Yes	Contract terminated – 07/12/2016
Jan Barnard	Director Operations	Yes	Currently in service
Conrad van Heerden	Director Technical Services	Yes	Contract Expired – 01/09/2016

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COMPONENT B: INTERGOVERNMENTAL RELATIONS

MSA section 3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution section 41.

2.3 INTERGOVERNMENTAL RELATIONS

Intergovernmental structures give effect and concrete expression to inter departmental communication. The municipality participates with the following structures that deal with transversal matters:

	IGR STRUCTURE	TYPE OF PARTICIPATION AND BENEFITS DERIVED
NATIONAL	Local Government ICT (LGICT) Network (Please note that this is mainly an "open online forum", although there are special meetings, workshops and events being scheduled across the country)	The LGICT Network is a service hosted by SALGA that provides: <ul style="list-style-type: none"> a real-time platform for information exchange, networking and collaboration for ICT Managers in local government. a platform where ICT Managers in local government rate service providers and report about service, satisfaction and quality in order to separate the "husks from the grain".
	IDP Managers Forum	Reflect on IDP Indaba processes Reflect on the impact of the IDP Analysis process; Discuss processes and methodologies that should guide the annual IDP review; Serve as a platform where key planning information is shared, good planning practices and successfully implemented programmes are celebrated, and where gaps are identified.
PROVINCIAL	Records Managers Forum	Discuss processes and methodologies that should guide the records management in Theewaterskloof Municipality in terms of the National Archives Act; Serve as a platform where key planning information is shared, good planning practices and successfully implemented programmes are celebrated, and where gaps are identified in the records management processes. Discuss problems identified in municipalities in respect of records management and received inputs from other municipalities or governmental bodies how to address these problems.
	SALGA Provincial HR Development Working Group	<ul style="list-style-type: none"> A platform for Councillors within the Province to give input into collective bargaining as well as policy issues. This forum also receives feedback from National and Provincial Bargaining Forums. It is also a platform for information sharing and to discuss issues of mutual interest;
	HR Practitioners Forum	<ul style="list-style-type: none"> A forum used to draft policy, give input into various topics such as legislation, agreements etc. This forum also serves as a platform for HR managers to network and share best practice Receive feedback from SALGA in respect of negotiations

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DISTRICT INTERGOVERNMENTAL STRUCTURES		etc.
	Chief Audit Executive Forum	Discuss methodologies, standards, challenges and serves as an information sharing platform.
	Western Cape Local Government ICT Managers Forum	<ul style="list-style-type: none"> • To create a platform for ICT Managers to discuss ICT-specific issues • To create a space for information sharing, knowledge exchange and inter-provincial cross pollination • To manage, co-ordinate and support the implementation of ICT initiatives, ICT-related activities in order to strengthen support and avoid duplication • To obtain inputs and comments on national- and provincial processes and initiatives that have an impact on ICT's, and • To achieve standardization for benchmarking and reporting purposes on critical activities.
	District IDP Managers Forum	<ul style="list-style-type: none"> • A platform for IDP Managers in the Overberg District to discuss IDP-specific matters; • A platform for information sharing, knowledge exchange and inter-District cross pollination; • co-ordinate the implementation of IDP initiatives and activities; • standardization of IDPs in the District; and • To identify areas of co-operation in terms of common challenges and development issues amongst the Local Municipalities in the District, and between the Local Municipalities and the District Municipality
	IDP Rep/PPCOM Forum	<ul style="list-style-type: none"> • A platform for IDP Managers, Public Participation officials, Municipal Communicators and Sector Department officials • Share experiences • Joint Planning
	Overberg ICT (OICT) Managers Forum	<ul style="list-style-type: none"> • A platform for ICT Managers in the Overberg District to discuss ICT-specific matters; • A platform for information sharing, knowledge exchange and inter-District cross pollination; • standardization of ICT infrastructure in the district; and • To identify areas of shared-services
	District IDP Managers Forum	<ul style="list-style-type: none"> • A platform for IDP Managers in the Overberg District to discuss IDP-specific matters; • A platform for information sharing, knowledge exchange and inter-District cross pollination; • co-ordinate the implementation of IDP initiatives and activities; • standardization of IDPs in the District; and • To identify areas of co-operation in terms of common challenges and development issues amongst the Local Municipalities in the District, and between the Local Municipalities and the District Municipality
	IDP Rep/PPCOM Forum	<ul style="list-style-type: none"> • A platform for IDP Managers, Public Participation officials, Municipal Communicators and Sector Department officials • Share experiences • Joint Planning

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Overberg ICT (OICT) Managers Forum	<ul style="list-style-type: none"> • A platform for ICT Managers in the Overberg District to discuss ICT-specific matters; • A platform for information sharing, knowledge exchange and inter-District cross pollination; • standardization of ICT infrastructure in the district; and • To identify areas of shared-services
Overberg LED/Tourism Forum	<ul style="list-style-type: none"> • Platform for LED/Tourism practitioners • Joint Planning • Share best practices

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

MSA section 17 (2): requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (1): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18 (a) - (d): requires a municipality to supply its community with information concerning municipal governance, management and development

Theewaterskloof Municipality is committed to the following principles:

- Inclusivity
- Diversity
- Building community participation
- Transparency
- Integration
- Flexibility
- Accessibility
- Accountability

Council established ward committees as the official liaison mechanism on all matters within the community.

Ward Councillors together with their ward committee members report back to their constituencies on a quarterly basis. In addition, a Policy framework for Public Participation was developed. The Service Delivery Budget Implementation Plan (SDBIP) is made public and published on the municipal website. This contains projected financial and service delivery indicators and deliverables. Members of the public are also invited to participate in the oversight process related to the Annual report. In the promotion of public accountability and participation, members of the public are invited to attend all meetings of the Council and its committees.

Another mechanism of Public participation is conducted through Budget and IDP public meetings. These meetings were held prior to developing the draft budget in order to identify the needs of the community in order to provide input for the new financial year. A second round of public meetings is normally held once the draft budget is developed in order to inform the public of key elements in the proposed budget.

The purpose of the Ward Committee structure is to assist Ward Councillors with organizing, consulting, spreading of information to encourage participation from the residents within the Wards.

The Ward Committee:

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- is an advisory Body.
- is a representative structure.
- is independent; and
- must be impartial and perform its functions without fear, favour or prejudice.

There are 14 Wards within the Theewaterskloof Municipal area.

2.4 COMMUNICATION, PARTICIPATION AND FORUMS

A Public Participation Plan has been approved by council during August 2016. The plan includes dates of the Following meetings which requires public participation:

- Councillor Report back meetings
- Council meetings
- IDP Public Meetings
- Budget Public Meetings
- Service Level Agreement Advisory Forum Meetings
- Annual Report publications

Budget Public Meetings

- Service Level Agreement Advisory Forum Meetings
- Annual Report publications

2.4.1 WARD COMMITTEES

The Ward Committee system is the official public participation structure of Theewaterskloof Municipality. The different Ward committees meets bi-monthly. The current status of the Ward Committees is that it is not fully functional as we still experience the communication gap between the ward committees and the constituencies that they represent.

The Establishment process of the Ward committees commenced during September 2015 in preparation for the 2016 Elections. Intensive public participation processes has been followed. The Ward Committees was established at the end of November 2016.

2.4.2 FUNCTIONALITY OF WARD COMMITTEES

The primary function of a ward committee is:

- To assist the ward councillor in understanding the needs and the views of the community;
- To be a formal communication channel between the community and the municipal council;
- To raise issues of concern about the local ward to the ward councillor and;
- To make sure ward residents have a say in decisions, planning and projects that the council or municipality undertakes which have an impact on the ward.

A ward committee should consist of up to ten members who serve as volunteers and may represent a certain sector. Examples of such sectors are:

- women's groups or;
- ratepayers associations;
- geographic areas
- Community within the ward.

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Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 1	Councillor S Potberg	Yes	5		3
	AF Appel				
	L Farenhem				
	E Mouries				
	M Lottering				
	J Johnson				
	S Oerson				
	P Stander				
	L Vilander				
	A Mouton				
	T Hermanus				
Ward 2	Alderman D Du Toit	Yes	5		8
	J Kraukamp				
	A Steyn				
	P Adams				
	V Jansen				
	C Barthus				
	B Beukman				
	G Juries				
	M Ohlson de Fine				
	A White				
	D Crabtree				
Ward 3	Councillor J Arendse	Yes	5		1
	E Magerman				
	Y van Tonder				
	C Small				
	A Davids				
	F de Koker				
	B Swartz				
	V Theunissen				
	S Swartz				
	K Hoffman				
	C Benjamin				
Ward 4	Councillor M Koegelenberg	Yes	5		4

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	J Brinkhys				
	A Modaleri				
	N Jende				
	J de Waal				
	V Watton				
	J Norval				
	M Wessels				
	JP de Wit				
	D du Toit				
	J Hauman				
Ward 5	Councillor C Lamprecht	Yes	5		2
	L Jonase				
	D Ontong				
	C Nel				
	B Bester				
	H Gagiano				
	W Welmans				
	R Jansen				
	Hendrik Schoeman				
	J Nicholls				
Ward 6	Councillor R Brinkhuys	Yes	5		1
	E Jansen				
	T Vali				
	R Antonie				
	H Blignaut				
	J Nicollis				
	J Kleyn				
	V Hendricks				
	A Sindelo				
	H Schoeman				
Ward 7	Councillor P Stanfliet	Yes	5		2
	M Goniwe				
	C Afrika				
	M Davids				
	J Swanepoel				
	I Andries				
	H Pitcher				
	M Ngakana				
	H Hendricks				

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	J Faroa				
	E Herman				
Ward 8	Councillor A Mentile	Yes	3		2
	Letjeba Khathatsho				
	Joel Kock				
	Ivy Ludziya				
	Akhona Bovungana				
	Xolani Nonjiko				
	Errol Gertse				
	Estelle Williams				
	Thando Xhego				
	Nowellen Klaasen				
Ward 9	Councillor D Jooste	Yes	5		2
	M Koelman				
	N Fortuin				
	E Wagenaar				
	M May				
	D Johannes				
	Anna Hanekom				
	J Jooste				
	I Kortje				
	H Botha				
	H Schoeman				
Ward 10	Councillor M Plato-Mentoor	Yes	3		2
	Franswa Titus				
	Clive Januarie				
	Linda Hendricks				
	Johanna Koopman				
	Bronvin Snyders				
	Johanne de Bruin				
	John Hutton-Squire				
	David Williams				
Ward 11	Councillor T Ndlebe	Yes	3		2
	Chrisjan Gertze				
	Alfred Matheoane				
	Elizabeth Skey				
	Silulami Mxhuma				
	Zandisile Saziwa				

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	Sandile Sitshoto				
	Pumeza Mcetwa				
	Lorne Erasmus				
	Shirley Jonas				
	Phumza Mzolisa				

Ward 12	Councillor U Sipunzi	Yes	3		4
	William Nomkhanya				
	Sello Joseph Mohlomi				
	Christene Absalom				
	Percy Speelman				
	Lubabalo Madizeni (Moses)				
	Matlaphi Cecilia Mthoba				
	Lynette de Bruyn-Davids				
	Tabodi Mamabolo				
	Myrtle Ritcher				
	JW Stofile				
Ward 13	Councillor M Bhangazana	Yes	3		2
	Nozukile Mchasa				
	Mxolisi Thobiganya				
	Siyambonga Maziza				
	Unathi Mtoko				
	Johanna Fourie				
	Dawid de Wee				
	Gorden Pedro				
	Andreas Julies				
	Tsele Anton Langa				
	Tembile Nomshuva				
Ward 14	Councillor N Pieterse	Yes	3		2
	Nicolaas Fredericks				
	Dennis May				
	Oren Parnell				
	Jacobus Fillies				
	Fergusson Oppelt				

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2.4.3 PUBLIC MEETINGS

Public Meetings

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Dates and manner of feedback given to community
Ward Committee Establishment Meetings	1 Sept - 9 Nov 2016	14 Ward Cllrs	7 Officials	Ward Committee election results communicated at the meetings
IDP Public Participation Meetings	5 Sept - 19 Oct 2016	14 Ward Cllrs	10 Officials	Presentations and issues raised at meetings
Draft IDP/ Budget Meetings	3 - 20 April 2017	14 Ward Cllrs	10 Officials	Presentations
Draft Budget Stakeholders Meetings	5-Apr-17	2 Councillors	5 Officials	Presentations and discussion relating budget related topics.

2.4.3.1 COMMENT ON THE EFFECTIVENESS ON THE PUBLIC MEETINGS HELD

Public meetings are important for both the municipality and the community as this give the communication insight on the Municipal processes and projects and in return gives the Municipality insight and understanding on the issues of the community. It is imperative to keep the communication lines open and it is important for community members and Stakeholders to attend meetings which is scheduled by Municipalities. IDP Public meetings has been poorly attended by community members but Ward Councillor Report back meetings are well-attended.

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*

	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	T 2.5.1

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COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

2.6 RISK MANAGEMENT

The direction and mandate of risk management for Theewaterskloof Municipality is clearly set out in Section 62(1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) that stipulates that the "Accounting Officer must take all reasonable steps to ensure that the municipality has and maintains an effective, efficient and transparent system of financial and risk management and internal control" accompanied by the crucial motto of the public sector: "that the resources of the municipality are used effectively, efficiently and economically".

The Risk Management Unit (RMU) came into ideal development in the previous financial year (2015-2016) with the appointment of the Chief Risk Officer (CRO) on a Shared Service Business Model between the municipalities within the district, which ultimately meant getting the same service under a shared cost model.

The initiatives and actions performed by the RMU during 2016-2017 include:

- An annual risk assessment conducted and facilitated by the CRO per Directorate, engaging all heads of departments;
- District Supply Chain Management (SCM) workshops, culminating in a SCM risk assessment;
- Periodic assessments with monthly monitoring on status of risk register as well as quarterly reporting and recommendations to various statutory and non-statutory committees;
- Annual Review of Risk Management Strategy and Policy;
- Compilation and monitoring of a district risk management implementation plan;
- Continuous aim of building a sufficient municipal risk profile to constantly improve risk maturity;
- Streamlining risk related documents and processes with National Treasury's Public Sector Risk Management Framework, King Code of Governance for South Africa, Committee of Sponsoring Organisations of the Treadway Commission (COSO), International Organisation for Standardisation (ISO 31000), etc.;
- Adding value of "best practice" developments to the Risk Management Committee;
- Risk Management Committee performance evaluation through individual assessments in the form of a questionnaire;
- Encouraged the significant application of risk management to the implementation of mSCOA by participating in the mSCOA work group sessions;
- Regular communication and daily updates from the Institute of Risk Management South Africa;
- Regular communication between Provincial Treasury (Corporate Governance) on risk related matters;
- Recommendations for improvement of software being utilised (IGNITE Risk Assist Module);
- Introducing risk universe and risk maturity initiatives through comparison reporting and benchmarking;

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- Compilation of a District Cross-Cutting Report containing the transversal risks of the Overberg district;
- Exploiting opportunities and strategies through identification of Emerging and Incident Risks;
- Progressive application of compliance related documents and processes;
- Participation in the District Risk and Internal Audit Forum;
- Exploring opportunities through meaningful integration of the functions of Ethics, Anti-Corruption and Fraud Prevention, Occupational Health and Safety, Long term Planning, Business Continuity and Disaster Management into the risk management objectives and processes;
- Recommended intensifying the alignment between the insurance portfolio/coverage in relation to the asset management register and processes.
- District Ethics Workshop for the Directors and Accounting Officer and an Municipal Ethics Workshop for management, leading to the development of a Code of Ethics;
- Business continuity workshops and engagements with management to develop a Business Continuity Framework;
- A district risk appetite workshop for risk champions, explaining the methodology and importance of determining the municipality's risk appetite and risk tolerance;
- Review of the combined assurance framework and taking ownership as the combined assurance champion;
- Participating in strategic planning sessions to conduct strategic risk assessments and emphasise the importance of risk based decision-making;
- Development of an anti-corruption and fraud prevention strategy, policy and plan;
- Risk Management Maturity Assessment to determine the Municipality's maturity level;
- Improved co-operation between the RMU and Internal Audit Services (IAS), reducing duplication and increasing the sharing of risk information, while respecting IAS's independence;
- Focus on cyber security and ICT control awareness;
- Review of year-end internal control procedures and demand management process (including performance).

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Strategic, Incident and Emerging Risks for the 2016-2017:

Risk Level	Risk Description	Current Controls	Residual Risk	Financial Year
Strategic	Implementation of mSCOA	<ul style="list-style-type: none"> Guidelines from National Treasury Regular circulars from National and Provincial departments with regards to rising concerns 	High	2016/2017
Strategic	In-migration leading to Land Invasion and the increase in Informal Settlements	<ul style="list-style-type: none"> Squatter control officers Law enforcement patrols 	High	2016/2017
Strategic	Bulk water provision	<ul style="list-style-type: none"> Technical Drought Plan General communication - Printed media and radio Notifications (Possible Water restrictions) 	High	2016/2017
Strategic	Slow Recovery of Potential Revenue	<ul style="list-style-type: none"> Data Cleansing Project Credit control Debt Collection unit 	High	2016/2017
Strategic	Excessive Expectations in relation to Institutional capacity	<ul style="list-style-type: none"> Public Participation Indaba Expectation Management (SLA with communities) CAPEX / MTREF Procurement Plan 	Medium	2016/2017
Strategic	Backlog in Infrastructure	Agenda item submitted to council for consideration (Risk Management Agenda item)	Medium	2016/2017
Strategic	Job creation via LED initiatives	<ul style="list-style-type: none"> Skills building programs SMME indabas Facilitation of programs initiated/implemented by Provincial and National departments 	Medium	2016/2017

2.7 ANTI-CORRUPTION AND FRAUD

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the MFMA, section 112(1) (m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favouritism as well as unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

Theewaterskloof Municipalities **Anti-Corruption Policy** was **adopted** by council in **November 2008** and **reviewed on 19 March 2015**.

One of the main purposes of an Anti-Corruption policy is to ensure that the Municipality is in compliance with the Municipal Systems Act, Act No. 32 of 2000 which requires the Municipality, amongst other things to develop and adopt appropriate systems and procedures that contribute to effective and efficient management of the municipality and its resources.

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2.8 AUDIT COMMITTEE

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

- internal financial control;
- risk management;
- performance management; and
- Effective governance.

The Performance and Audit Committee have the following main functions as prescribed in section 166 (2) (a-e) of the Municipal Finance Management Act, 2003, Local Government Municipal and Performance Management Regulation, 2001 and the office of the Auditor-General:

- To advise the Council on all matters related to compliance and effective governance;
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual DORA and other applicable legislation;
- Respond to the council on any issues raised by the Auditor-General in the audit report;
- To review the quarterly reports submitted to it by the internal audit;
- To evaluate audit reports pertaining to financial, administrative and technical systems;
- The compilation of reports to Council, at least twice during a financial year;
- To review the performance management system and make recommendations in this regard to Council;
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimized;
- To review the annual report of the municipality;
- Review the plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Provide support to the Internal Audit function.
- Ensure that no restrictions or limitations are placed on the Internal Audit section

The municipality's Audit Committee Recommendations for 2016/17 financial year are as follows:

Municipal Performance and Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2015/16	Recommendations adopted (enter Yes) If not adopted (provide explanation)
31-Aug-16	Audit Work Completed and Planned	Yes
31-Aug-16	Supply Chain Management Third Quarter Review	Yes
31-Aug-16	Solid Waste Fourth Quarter Review	Yes
31-Aug-16	Human Resources Audit	Yes
31-Aug-16	2015/2016 Compliance Assessment	Yes
31-Aug-16	Auditor General Report Follow-up	Yes
31-Aug-16	Internal Audit Follow-up Report	Yes
31-Aug-16	SDBIP Fourth Quarter 2015/2016 Audit	Yes
31-Aug-16	2015/2016 Fourth Quarter Performance Assessment	Yes
31-Aug-16	2015/2016 SDBIP report of the Office of the Chief	Yes

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	Audit Executive	
31-Aug-16	Quarterly Budget Statement for the Fourth Quarter ending 30 June 2016	Yes
31-Aug-16	Draft Financial Statements for the Year ended 30 June 2016	Yes
31-Aug-16	Distribution Losses Report	Yes
31-Aug-16	Minutes of the Risk Management Committee	Yes
12-Sep-16	Auditor General's Strategic Plan 2015/2016 Audit	Yes

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Municipal Performance and Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2015/16	Recommendations adopted (enter Yes) If not adopted (provide explanation)
25-Nov-16	Audit Work Completed and Planned	Yes
25-Nov-16	Inventory Audit	Yes
25-Nov-16	Supply Chain Management Fourth Quarter Review	Yes
25-Nov-16	Risk Management Audit	Yes
25-Nov-16	Vandalism – Safeguarding of Municipal Properties	Yes
25-Nov-16	Solid Waste First Quarter Audit	Yes
25-Nov-16	First Quarter SDBIP Report of the Office of the Chief Audit Executive	Yes
25-Nov-16	Internal Audit Follow-up Report	Yes
25-Nov-16	2016/2017 First Quarter Performance Assessment	Yes
25-Nov-16	Minutes of the Risk Management Committee	Yes
25-Nov-16	Quarterly Budget Statement for the First Quarter Ending 30 September 2016	Yes
25-Nov-16	ICT Status Quarterly Report – 1 July 2016 to 30 September 2016	No, it was resolved that the item be referred to the next meeting so that it can be presented by the Manager: ICT
25-Nov-16	Rehabilitation of Landfill Sites: Proposed Funding Model	No, It was resolved that additional information be added to the model and that it be presented again at the next meeting
20-Jan-17	Annual Report	Yes
20-Jan-17	Compliance First Quarter Audit	Yes
20-Jan-17	Supply Chain Management First Quarter Review	Yes
20-Jan-17	SDBIP First Quarter Review	Yes
20-Jan-17	mSCOA Audit	Yes
20-Jan-17	ICT Status Quarterly Report – 1 July 2016 – 30 September 2016	Yes
20-Jan-17	Internal Audit Charter	Yes
20-Jan-17	Audit Committee Charter	Yes
20-Jan-17	Risk Based Internal Audit Plan 2016/2017	Yes
3-Mar-17	Audit Work Completed and Planned	Yes
3-Mar-17	Solid Waste Second Quarter Audit	Yes
3-Mar-17	Monitoring of Illegal Building Works Audit	Yes
3-Mar-17	Compliance Second Quarter Audit	Yes
3-Mar-17	SDBIP Second Quarter Audit	Yes
3-Mar-17	Internal Audit Follow-up Reports	Yes
3-Mar-17	Second Quarter SDBIP Report of the Office of the Chief Audit Executive	Yes
3-Mar-17	King IV	Yes
3-Mar-17	Quarterly Budget Statement for the Second Quarter Ending 31 December 2016	No, the agenda item was referred back so that the correct quarterly report be attached
3-Mar-17	Financial Statements 31 December 2016	Yes
3-Mar-17	Minutes of the Risk Management Committee	Yes
2-Jun-17	Audit Work Completed and Planned	Yes
2-Jun-17	Supply Chain Management Second Quarter Review	Yes
2-Jun-17	Maintenance on Proclaimed Roads	Yes

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Municipal Performance and Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2015/16	Recommendations adopted (enter Yes) If not adopted (provide explanation)
2-Jun-17	Inventory Audit	Yes
2-Jun-17	Solid Waste Third Quarter Audit	Yes
2-Jun-17	Safety of Municipal Officials Audit	Yes
2-Jun-17	SDBIP Third Quarter Audit	Yes
2-Jun-17	Compliance Third Quarter Audit	Yes
2-Jun-17	Internal Audit Follow-up Reports	Yes
2-Jun-17	Auditor General Report Follow-up	Yes
2-Jun-17	Third Quarter SDBIP Report of the Office of the Chief Audit Executive	Yes
2-Jun-17	Revised Internal Audit Charter	Yes
2-Jun-17	Meeting Schedule	Yes
2-Jun-17	Annual Risk Based Internal Audit Plan 2017/2018	Yes
2-Jun-17	Rehabilitation of Landfill Sites: Proposed Funding Model	No, It was resolved that this item stand over to the next meeting
2-Jun-17	Combined Assurance Framework	Yes
2-Jun-17	Risk Management Implementation Plan: Fourth Quarter Progress Report	Yes
2-Jun-17	Minutes of the Risk Management Committee	Yes
2-Jun-17	Quarterly Budget Statement for the Second Quarter Ending 31 December 2016	Yes
2-Jun-17	Quarterly Budget Statement for the Third Quarter Ending 31 March 2017	Yes

2.8.1 2016/2017 ANNUAL REPORT OF THE PERFORMANCE AND AUDIT COMMITTEE

Speaker, Executive Mayor, Alderman, Members of Council, The Municipal Manager, Directors, Ladies and Gentleman, it is my duty to deliver the annual report of the Performance Audit and Audit Committee to Council for the financial year ending 30 June 2017.

1. Performance- and Audit Committee

As a statutory, independent committee its duties and responsibilities are clearly articulated in the Municipal Finance Management Act, Act 56 of 2003 and the Audit Committee Charter as approved by Council.

The current Performance Audit and Audit Committee was appointed on 1 November 2017. The Performance Audit and Audit Committee consisted of four (4) independent members who are all appropriately qualified, who are financially literate and who are acquainted with the Risk Management and Performance Management disciplines.

The committee has held 6 (six) meetings during the financial year under review. These meetings were well attended by Committee Members, the Municipal Manager, Directors, Members of the Audit Team and Representatives from the Auditor-General's Office, Chairperson of the Finance Portfolio Committee and Councillors nominated by Council to attend the meetings.

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The committee went on a field trip on 27 June 2017 and visited the Riviersonderend Waste Disposal Facility and the Tesselaarsdal Library and Sport Grounds

2. Dates of performance audit and audit committee meetings

31 August 2016 - Old Committee
12 September 2016 - Old Committee
25 November 2016 - New Committee
20 January 2017 - New Committee
3 March 2017 - New Committee
2 June 2017 - New Committee

3. Composition of Performance Audit and Audit Committee

Name of Member (Old Committee)	Number of Meetings Attended
GN Lawrence (Chairperson)	2
A Pienaar	2
BH van Staaden	1
DWJ Jacobs	2

Name of Member (New Committee)	Number of Meetings Attended
E Lakey (Chairperson)	4
A Pienaar	4
GN Lawrence	4
V van der Linde	4

The Performance Audit and Audit Committee conducted self-assessments during June 2017 in order to measure its performance. Input from Management was part of the assessment process. The results of the performance was reviewed and discussed at the Performance Audit and Audit Committee Meeting of 29 August 2017.

4. The Effectiveness of Internal Control

Internal control is the system of controls and directives that are designed to provide cost effective assurance that assets are safeguarded, that liabilities and working capital are efficiently managed and that the municipality fulfils its mandate, in compliance with all relevant statutory and governance duties and requirements.

The committee reviewed all the Internal Audit reports. Other than the matters highlighted below, no material deficiencies in the system of internal control were noted.

During the year key control deficiencies were noted by Internal Audit in the following areas;

- Registration of General / Transfer Plans for Low Cost Housing
- Risk Management
- Vandalism of Municipal Property
- Solid Waste Facilities
- Performance Management
- Compliance to Acts
- Monitoring of Illegal Building Works
- Inventory

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Corrective actions have been agreed by management and are being monitored by the Performance Audit and Audit Committee.

5. Risk Management

The Performance Audit and Audit Committee is well informed and satisfied with reports regarding the Status of Risk Management in TWK. The minutes of the Risk Management Committee are presented to the Performance- and Audit Committee on a quarterly basis.

On 20 January 2017 the Performance Audit and Audit Committee received induction training regarding the Risk Management Unit and the status of Risk Management in Theewaterskloof Municipality.

The Risk Management Implementation Strategy along with the Risk Management Policy serves as induction documentation for new employees. Constant interaction with Departments in terms of risk contributes towards risk awareness.

6. Performance Management and Evaluations of Section 57 Appointments

The Performance Audit and Audit Committee have reviewed the 2016/2017 Annual Performance Report of the municipality as well as the quarterly SDBIP Performance Reports submitted to it by the Internal Audit Department. Based on the discussions and assurances obtained, the committee is satisfied with the Performance Management System of the municipality.

The Chairperson of the Performance Audit and Audit Committee attend the annual performance evaluations of the Section 57 appointments and was satisfied with the course of the event. However, for meaningful evaluation it is important to ensure that the performance contract, the measurement criteria and the outputs are optimally aligned to make it a congruent procedure for the Section 57 appointments and evaluation panel.

7. Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the budget statements (section 71 reports) on a quarterly basis;
- reviewed and discussed the Bi-Annual Financial Statements in March 2017;
- reviewed and discussed the unaudited draft Annual Financial Statements on 29 August 2017 prior to submission to the Auditor General; and
- reviewed the processes for compliance with legal and regulatory provisions.

8. Internal Audit

In terms of the IIA (Institute of Internal Auditors) standards, the Internal Audit unit must undergo an internal quality assessment. In June 2017 the Performance Audit and Audit Committee and the Management Team evaluated the Internal Audit Unit.

In general, the Performance Audit and Audit Committee is satisfied with the performance of the Internal Audit Unit.

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In line with the MFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved by a risk based Internal Audit plan, internal audit assessing the adequacy of controls, mitigating the risks and the audit committee monitoring implementation of corrective actions.

The Internal Audit Unit conducted 27 investigations during the year under review and completed 100% of the audits identified on the risk based internal audit plan for 2016/2017.

- 95 Findings were made of which 24 were regarded as significant (serious).
- The remaining 71 findings were regarded as housekeeping i.e. minor transgressions which could easily be rectified.

The following internal audit work was planned and completed during the year under review:

- Supply Chain Management 4th Quarter 2015/2016
- Performance Management 4th Quarter 2015/2016
- Compliance Assessment 4th Quarter 2015/2016
- Risk Management
- Vandalism of Municipal Property
- Solid Waste 1st Quarter 2016/2017
- Inventory First Review 2016/2017
- Supply Chain Management 1st Quarter 2016/2017
- Performance Management 1st Quarter 2016/2017
- Solid Waste 2nd Quarter 2016/2017
- Compliance Assessment 1st Quarter 2016/2017
- mSCOA
- Monitoring of Illegal Building Works
- Performance Management 2nd Quarter 2016/2017
- Supply Chain Management 2nd Quarter 2016/2017
- Solid Waste 3rd Quarter 2016/2017
- Inventory Second Review 2016/2017
- Compliance Assessment 2nd Quarter 2016/2017
- Maintenance on Proclaimed Roads
- Safety of Municipal Officials
- Transfer of Land to Municipality
- Supply Chain Management 3rd Quarter 2016/2017
- Performance Management 3rd Quarter 2016/2017
- Solid Waste 4th Quarter 2016/2017
- Compliance Assessment 3rd Quarter 2016/2017
- Recovery of Revenue
- Delay in Registration of General / Transfer Plans for Low Cost Housing

9. Specific concerns

There are a number of specific concerns that the Performance Audit and Audit Committee would like to bring to the attention of the municipality:

- Water restrictions
The scarcity of this natural resource is becoming more and more evident as we are heading into the dryer season of the year. What is the municipality implementing to conserve and curtail its own water consumption. Implementing punitive measure on the general public is not going to reinstate lost resources – we need to address our own water consumption and implement restrictive use of this resource.

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- **Municipal court**
We identified that TWK need a Municipal Court to manage and enforce the municipal by-laws in our municipal area. One of the areas identified was with respect to illegal building practices and the inability of the municipality to administer the by-laws effectively.
- **Traffic fines**
With reference to the annual financial statements, the actual recoveries of the traffic fines issued is about 17%. This results in a potential loss of income of approximately R20m per annum. There is real scope of increasing the recoveries and there are innovative methods that can be implemented.
- **Rehabilitation of the Waste Sites**
The cost for the rehabilitation sites over the foreseeable future period is concerning. My concern is the monetary and socio-economical costs associated with the environmental impact that the municipality will need manage.

10. Appreciation

The Audit Committee wishes to express its appreciation to the Management of the Municipality and the Internal Audit Unit for the co-operation and information they have provided to enable us to compile this report.



Mr EP Lakey
Chairperson of the Performance- and Audit Committee
September 2017

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2.9 SUPPLY CHAIN MANAGEMENT

MFMA section 110 - 119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

The Local Government: Municipal Finance Management Act, No 56 of 2003, MFMA) requires the municipality to have and implement a Supply Chain Management Policy (SCM Policy) which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with 'Supply Chain Management'.

The accounting officer submits a report on the implementation of the SCM policy monthly to council.

Council has duly delegated the implementation of the Supply Chain Management Policy to the Accounting Officer who is responsible for taking all reasonable steps to ensure that proper mechanisms and separation of duties in the supply chain management system are in place to minimise the likelihood of fraud, corruption, favouritism and unfair and irregular practices

Supply Chain Management processes

The following thresholds are currently being adhered to in order to support the strategic and operational commitments of the municipality:

- a. Petty cash purchases, up to a transaction of value of R200.00(vat included);
- b. 1(One) written or verbal quotation for procurements of a transaction value up to R2,000.00 (VAT included)
- c. 3 (Three) written quotations for procurements of transaction value form R2,000.01 up to R30,000.00 (VAT included)
- d. 3 (Three) formal written price quotations for procurements of a transaction value over R30,000.00 up to R200,000.00 (VAT included); and
- e. A Competitive Bidding Process For-
 - i. Procurements above a transaction value of R200,000.00 (VAT included); and
 - ii. The procurement of long term contracts

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2.10 BY-LAWS

By-laws Introduced during Year 2016/17

Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
By-law relating to holding of events		Yes	Sept 2016	Yes	7 April 2017

2.10.1 COMMENT ON BY-LAWS

MSA 2000 s11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation

All bylaws that were newly implemented as well as existing bylaws that were amended underwent rigorous public participation processes. Where appropriate, the comments from the general public were taken into account and the bylaws in questions were amended accordingly.

2.11 WEBSITE

A municipal website should be an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies.

Below is a website checklist to indicate the compliance to Section 75 of the MFMA:

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Municipal Website : Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	2016/17 Draft budget - 24/03/2016 2016/17 Annual budget -02/06/2016 2016/17 Adjustment budget - 10/03/2017
All current budget-related policies	Yes	6-Feb-16
The previous annual report (Year 2015/16)	Yes	4-Jul-17
The annual report (Year 2016/17) published/to be published	Yes	22/03/2018
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 2016/17) and resulting scorecards	Yes	15/08/2016
All service delivery agreements (Year 2016/17)	Yes	Monthly as per policy
All long-term borrowing contracts (Year 2016/17)	Yes	Monthly as per policy
All supply chain management contracts above a prescribed value for Year 2016/17	Yes	Monthly as per policy
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 2016/17	N/A	
Contracts agreed in Year 2014/15 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A	
Public-private partnership agreements referred to in section 120 made in Year 2016/17	N/A	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2016/17	Yes	Quarter 1 - 13/12/2016 Quarter 2 - 13/01/2017 Quarter 3 - 19/04/2017 Quarter 4 - 28/07/2016
<i>Note: MFMA S75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>		

T2.10.1

2.11.1 COMMENT ON MUNICIPAL WEBSITE AND ACCESS

TWK Municipality's website comply with the requirements of Section 75 of the MFMA through the Directorates who continuously ensure that information is published and that information is updated and added timeously.

Public access to computers are at this stage not directly done by the municipality or at municipal administration offices, however public access to computers are setup at all libraries in Theewaterskloof. The municipal ICT division renders support to the libraries in this regard to ensure working and accessible public systems. Further to municipal ICT support of public internet access, the libraries also have public internet access as part of the provincial government's deployments of public access computers. Recently customer care centres were set up the Town Offices of Caledon, Grabouw and Villiersdorp. The public can approach the customer care consultants who will assist them with access to required municipal information, applications, processes and procedures. This project is handled by the Operations Directorate, who is currently implementing customer care centres at all Town Offices.

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2.12 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

Satisfaction Surveys Undertaken during: Year 2016 and Year 2017

Subject matter of survey	Survey method	Survey date	No of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:				
(a) Municipality	No Survey Conducted	-	-	-
(b) Municipal Service Delivery	No Survey Conducted	-	-	-
(c) Mayor	No Survey Conducted	-	-	-
Satisfaction with:				
(a) Refuse Collection	No Survey Conducted	-	-	-
(b) Road Maintenance	Ward Committee Meeting	July 2015 till June 2016	WARD COMMITTEE (5-8)	73.98
(c) Electricity Supply	No Survey Conducted	-	-	-
(d) Water Supply	Ward Committee Meeting	July 2015 till June 2016	WARD COMMITTEE (5-8)	76.00
(e) Information supplied by municipality to the public	Ward Committee Meeting	July 2015 till June 2016	WARD COMMITTEE (5-8)	78.70
(f) Opportunities for consultation on municipal affairs	No survey Conducted	-	-	-
(g) Law Enforcement	Ward Committee Meeting	July 2015 till June 2016	WARD COMMITTEE (5-8)	75.00
(h) Building Control & Town Planning	Ward Committee Meeting	July 2015 till June 2016	WARD COMMITTEE (5-8)	50.00
(i) Tourism, LED & Town Appearance	Ward Committee Meeting	July 2015 till June 2016	WARD COMMITTEE (5-8)	75.00

The Survey was conducted in the different towns where ward committee members have to score that specific town in terms of how they rate the performance on the different categories.

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CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

This will provide information on the functional and strategic performance of the municipality and will indicate how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical.

The functional performance of the municipality provides comprehensive information on the implementation of the SDBIP and relevant Functional Areas reporting schedules.

The key functions of the Municipality are as follows:

Municipal Functions

MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Child care facilities	No
Electricity and gas reticulation	Yes
Fire fighting services	No
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	No

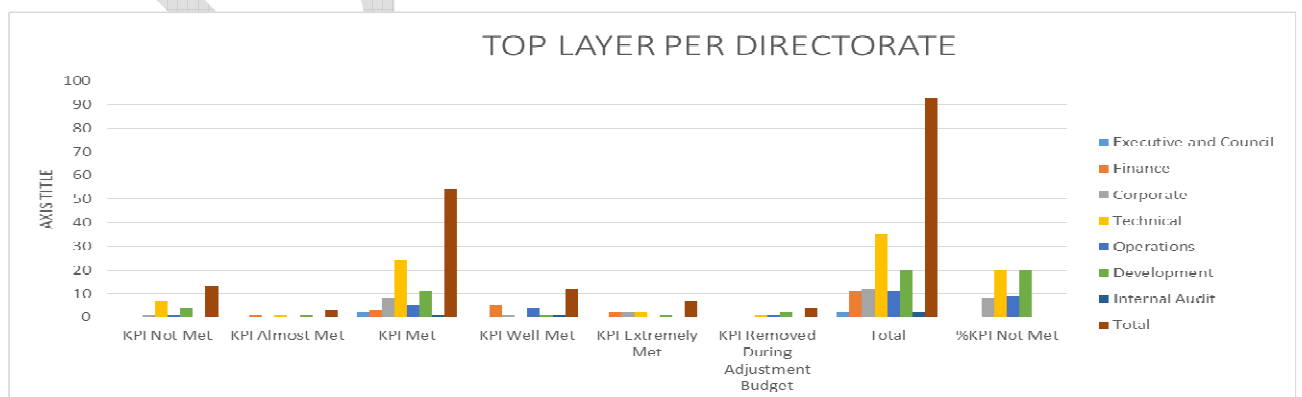
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Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section provides an overview on the strategic achievement of the municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents, (IDP, Budget and Performance Agreements).

The table below depicts the performance achieved against the Top Layer per directorate:

	KPI Not Met	KPI Almost Met	KPI Met	KPI Well Met	KPI Extremely Met	KPI Removed During Adjustment Budget	Total	%KPI Not Met
Executive and Council	0	0	2	0	0	0	2	0%
Finance	0	1	3	5	2	0	11	0%
Corporate	1	0	8	1	2	0	12	8%
Technical	7	1	24	0	2	1	35	20%
Operations	1	0	5	4	0	1	11	9%
Development	4	1	11	1	1	2	20	20%
Internal Audit	0	0	1	1	0	0	2	0%
Total	13	3	54	12	7	4	93	14%



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Note: Theewaterskloof municipality for the financial year 2016/17 had 93 Top Layer KPI's of which 4 were removed with the Adjustment Budget and Revision of the SDBIP; 13(13.98%) of the KPIs were not met due to different reasons stated within the report. However the municipality achievement is illustrated in the table and graph above.

The following table explains the method which the overall assessment and actual performance against targets set for the key performance indicators (KPI's) of the SDBIP are met.

Category	Colour	Explanation
KPI Removed during Adjustment Budget		KPI's with no targets or actuals in the selected period
KPI Not Met		$0\% \geq \text{Actual/Target} < 75\%$
KPI Almost Met		$75\% \geq \text{Actual/Target} < 100\%$
KPI Met		$\text{Actual/Target} = 100\%$
KPI Well Met		$100\% > \text{Actual/Target} < 150\%$
KPI Extremely Well Met		$\text{Actual/Target} \geq 150\%$

The final SDBIP differs somewhat to the original SDBIP.

The Top Layer SDBIP and its targets cannot be revised without notifying the council therefore all changes made in service delivery targets and performance indicators must be done with the approval of the council, following approval of an adjustments budget.

Council approval is necessary to ensure that the Mayor or Municipal Manager do not revise targets downwards in the event where there is poor performance.

The following elements necessitated the revision of the SDBIP:

The adjustment budget:

The adjustment budget was tabled and adopted by council on 23 February 2017.

Auditor general's recommendation on the 2015/16 Performance Audit.

The revision process was as follows:

One on one sessions were held with all the directors and their heads of departments where KPIs were drafted to ensure consistency with planned objectives, indicators, targets and also to ensure that the KPI's and targets set are based on the SMART principles.

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Service Delivery Budgeted Implementation Plan for 2015/2016

A. EXECUTIVE AND COUNCIL

Theewaterskloof Municipality SDBIP 2015/2016: Top Layer SDBIP Report

Ref	Directorate	Provincial Strategic Outcome	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2016						
														Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	
TL1	Office of the Municipal Manager	Increasing social cohesion	Improved Communication and community involvement	Good Governance and Improve the auditing status of the Municipality	Good Governance	Report quarterly to Mayco on the implementation of the Communication Strategy	Number of reports submitted	Deputy Director: Office of MM	New	Minutes of Mayco	4	3	Accumulative	3	3	G	Target Achieved: The communication strategy was approved by Council, but the primary task was to integrate various "traditional" communication means such as newsletters and media releases with internet mechanisms such as website and facebook; as well as technology driven communication means such as sms. Management only approved the integration request in September. The approved management item M235/2015 should serve as the report for the period under question. A full report about the entire communication strategy will be tabled to Council in October 2015. November: Report was drafted and approved by Management. Management forwarded the report to MAYCO. MAYCO approved the progress report at an EMC meeting on 18 November 2015. Ref EMC 138/2015 March :Quarterly report submitted to MAYCO on the 16 February 2016. Ref:EMC05/2016 The communication strategy was approved by Council. Management approved the integration of communication tools in September 2015. The third implementation report of the communication strategy was approved by council on 14 June 2016		The actual performance and portfolio of evidence is valid, accurate and complete	
TL2	Office of the Municipal Manager	Increasing social cohesion	Improved Communication and community involvement	Good Governance and Improve the auditing status of the Municipality	Good Governance	Report quarterly to Mayco on the implementation of the Customer Relations programme	Number of reports submitted	Deputy Director: Office of MM	New	Minutes of Mayco	4	3	Accumulative	3	3	G	Target Achieved: September: A report had not yet been provided. The office of the MM and Operations is busy with the implementation of help desks and stakeholder relation groupings and will draft a status quo client care strategy implementation. November: Report was drafted and approved by Management. Management forwarded the report to MAYCO. MAYCO approved the progress report at an EMC meeting on 18 November 2015. Ref EMC 139/201 March: Quarterly report submitted to MAYCO on the 16 February 2016. Ref: EMC06/2016 Report was drafted and approved by Management. Management forwarded the report to MAYCO. MAYCO must still approve the report. Attached are minutes of the Management meeting of 10 June 2016 item M140/2016.		The actual performance and portfolio of evidence is valid, accurate and complete	

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Theewaterskloof Municipality SDBIP 2015/2016: Top Layer SDBIP Report

Ref	Directorate	Provincial Strategic Outcome	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measureme nt	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2016					
														Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS
TL3	Office of the Municipal Manager	Mainstreamin g sustainability and optimising resource-use efficiency	Improved administrative function	Good Governance and Improve the auditing status of the Municipality	Good Governance	Nine (9) year progress review	Report to Council	Deputy Director: Office of MM	New	Council Minutes	1	1	Carry Over	1	1	G	Target Achieved: October: 9 Year Report drafted after the conclusion of the final strategic session of current council. Held at Herberg Arniston. Ref: C194/2015		The actual performance and portfolio of evidence is valid, accurate and complete
TL4	Office of the Municipal Manager	Mainstreamin g sustainability and optimising resource-use efficiency	Improved Financial Management	Improved Sustainable Financial Management of the Theewaterskl oof Municipality and Execute Legislative requirements	Good Governance	Financial Plan approved by Council	Council Approval	Deputy Director: Office of MM	New	Council Minutes	1	1	Carry Over	1	1	G	[D126] Deputy Director: Office of MM: Financial Plan approved by Council the latter must note that the plan consist of various components: •Outcome of the 2015 Strategic Workshop at the Herberg Resort in Arniston •MIG Planning •Theewaterskloof Local Municipality Long Term Financial Plan: 2015 – 2024 •Inca Financial plan All these planning have been completed and are attached to the comment. This package was included in the third quarter report and is in fact the Financial Plan referred to.		The actual performance and portfolio of evidence is valid, accurate and complete

Chapter 3

B. Directorate Finance

Theewaterskloof Municipality SDBIP 2015/2016: Top Layer SDBIP Report

Ref	Directorate	Provincial Strategic Outcome	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2016							MM COMMENTS
														Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS		
TL5	Financial Services	Mainstreaming sustainability and optimising resource-use efficiency	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Compile Plan to address AG audit findings annually	Plan Completed	Director: Finance	1	Minutes of Management meeting during which plan was approved	1	1	Carry Over	1	1	G	Target Achieved: M27/2016 Management Meeting 29 January 2016		The actual performance and portfolio of evidence is valid, accurate and complete		
TL6	Financial Services	Mainstreaming sustainability and optimising resource-use efficiency	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Submit bi-annual financial statements to Audit Committee	Number of Statements submitted	Director: Finance	1	Minutes of Audit Committee	2	2	Accumulative	2	2	G	Target Achieved: P&AC Meeting 28/08/2015 P&AC55/2015		The actual performance and portfolio of evidence is valid, accurate and complete		
TL7	Financial Services	Mainstreaming sustainability and optimising resource-use efficiency	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Achieve a payment percentage of 95% by the end of 2017	Payment%	Director: Finance	87	Financial Statements	92%	92%	Carry Over	92%	89%	O	Target Almost Achieved: Payment % as at June 2016 = 89 (June 2016)	[D41] Manager: Revenue: Implement credit control and debt collection and legal procedures. (June 2016)	The actual performance and portfolio of evidence is valid, accurate and complete		
TL8	Financial Services	Mainstreaming sustainability and optimising resource-use efficiency	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services) (30% by end of 2017)	Ratio achieved	Director: Finance	50	Financial Statements	54%	0%	Reverse Last Value	54%	52.03%	B	Target not Achieved: The ratio achieved = 52.03		The actual performance and portfolio of evidence is valid, accurate and complete		
TL9	Financial Services	Mainstreaming sustainability and optimising resource-use efficiency	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure) The eventual target for this ratio is three times.	Ratio achieved	Director: Finance	1	Financial Statements	1	1	Last Value	1	2	B	Target Extremely Well Met: The ratio achieved =2		The actual performance and portfolio of evidence is valid, accurate and complete		

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Theewaterskloof Municipality SDBIP 2015/2016: Top Layer SDBIP Report

Ref	Directorate	Provincial Strategic Outcome	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2016					IA COMMENTS	MM COMMENTS
														Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures		
TL10	Financial Services	Mainstreaming sustainability and optimising resource-use efficiency	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Financial viability measured in terms of the municipality's ability to meet its service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year) (%) The eventual target for this ratio is 12.	Ratio achieved	Director: Finance	11	Financial Statements	11	0	Last Value	11	14.42	B	Target Extremely Well Met: Ratio achieved = 14.42		The actual performance and portfolio of evidence is valid, accurate and complete	
TL11	Financial Services	Mainstreaming sustainability and optimising resource-use efficiency	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Provision of free basic water in terms of the equitable share requirements	No of HH receiving free basic water	Manager: Revenue	3500	Report from the financial system	3,500	3,500	Last Value	3,500	3,972	G2	Target Well Met: TWK also provide basic services to 4740 informal settlements	TWK also provide basic services to 4740 informal settlements	The actual performance and portfolio of evidence is valid, accurate and complete	
TL12	Financial Services	Mainstreaming sustainability and optimising resource-use efficiency	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Provision of free basic electricity in terms of the equitable share requirements	No of HH receiving free basic electricity	Manager: Revenue	3500	Report from the financial system	3,500	6,800	Last Value	1,700	1,577	O	Target Almost Achieved: The Eskom consumers is not included, the account will only be paid in the next month. TWK also provide services to 4740 consumers in informal settlements (<i>June 2016</i>)	The Eskom consumers is not included, the account will only be paid in the next month. TWK also provide services to 4740 consumers in informal settlements	The actual performance and portfolio of evidence is valid, accurate and complete	
TL13	Financial Services	Mainstreaming sustainability and optimising resource-use efficiency	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Provision of free basic refuse removal in terms of the equitable share requirements	No of HH receiving free basic refuse removal	Manager: Revenue	3500	Report from the financial system	3,500	3,500	Last Value	3,500	4,215	G2	Target Well Met: TWK also provide services to 4740 informal settlements.		The actual performance and portfolio of evidence is valid, accurate and complete	
TL14	Financial Services	Mainstreaming sustainability and optimising resource-use efficiency	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Provision of free basic sanitation in terms of the equitable share requirements	No of HH receiving free basic sanitation	Manager: Revenue	3500	Report from the financial system	3,500	3,500	Last Value	3,500	4,151	G2	Target Well Met: TWK also provide services to 4740 informal settlements.		The actual performance and portfolio of evidence is valid, accurate and complete	

Chapter 3

C. Corporate Services

Theewaterskloof Municipality SDBIP 2015/2016: Top Layer SDBIP Report

Ref	Directorate	Provincial Strategic Outcome	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2016					MM COMMENT	
														Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures		IA COMMENTS
TL15	Corporate Services	Mainstreaming sustainability and optimising resource-use efficiency	Improved IT service and infrastructure	Refine and improve the institutional capacity of the municipality	Institutional Development	Review identified ICT policy annually and submit report to ICT Steering Committee	Number of reports on policies reviewed and submitted to ICT Steering Committee	Manager:ICT	New	Minutes of meeting ICT Steering Committee	1	1	Carry Over	1	1	G	Target Achieved: The policies prescribed by the Western Cape MCGICT policy was presented to the ICT Steering Committee and subsequently revised by the Manager ICT for presentation to council.		The actual performance and portfolio of evidence is valid, accurate and complete	
TL16	Corporate Services	Mainstreaming sustainability and optimising resource-use efficiency	Improved IT service and infrastructure	Refine and improve the institutional capacity of the municipality	Institutional Development	Replace redundant computers	Rand value of approved budget spent	Manager:ICT	R150 000	Signed off invoices and asset register	R 280,000	R 280,000	Carry Over	R 280,000	R 161,934.26	R	Target not Achieved: The tender had to be cancelled twice. The first time due to the steep increase in the R/\$ exchange and the second time on recommendation of Provincial Treasury, which recommendation was supported by SCM and Legal.	An emergency order was issued to address the most critical system shortages.	The actual performance and portfolio of evidence is valid, accurate and complete	Reason accepted and beyond our control.
TL17	Corporate Services	Mainstreaming sustainability and optimising resource-use efficiency	Implement outcome based training strategies and programmes	Refine and improve the institutional capacity of the municipality	Institutional Development	Implement the workplace skills plan annually	60 % of personnel identified trained	Manager: Human Resources	50	Training stats kept and submitted to the SETA	60%	60%	Carry Over	60%	100%	B	Target Extremeley Well Achieved: July 2015: 0.37% Staff Trained August: 6.2% Staff Trained September: 23.2% Staff Trained October: 0.4% Staff Trained November: 18% Staff Trained Jan: 7.4% Staff Trained Feb: 14% Staff Trained March: 22% Staff Trained April :7% Staff Trained May: 6% Staff Trained June:62% Staff Trained Actual Performance for the financial year was more than 100%		The actual performance and portfolio of evidence is valid, accurate and complete	
TL18	Corporate Services	Mainstreaming sustainability and optimising resource-use efficiency	Continuous review of policies and delegations and by-laws	Refine and improve the institutional capacity of the municipality	Institutional Development	Review identified policies annually and submit report to Management	Number of reports on policy reviewed and submitted to Management	Manager: Human Resources	New	Minutes of Council Meeting	1	1	Carry Over	1	2	B	Target Extremeley Well Achieved: Reviewed 2 policies: Travelling and Subsistence and Retired Professional policy		The actual performance and portfolio of evidence is valid, accurate and complete	
TL19	Corporate Services	Mainstreaming sustainability and optimising resource-use efficiency	Improved Communication and community involvement	Good Governance and Improve the auditing status of the Municipality	Good Governance	Establishment of a public participation database (inclusive of all participation meetings of Towns and Corporates)	Functional Electronic database	Councilor support		electronic database	1	1	Carry Over	1	1	G	Target Achieved: Database was established in April 2016. It is accesable in outlook calendar.		The actual performance and portfolio of evidence is valid, accurate and complete	1st Quarter Comments: Nino needs to assist with database and needs to be completed by end November 2015 2nd Quarter Comments: Since than database created. Currently busy populating and should be completed by January 2016. 3rd Quarter Comment: 80% completed with database. only need to complete or add the dates in terms of April - June 2016. Thereafter it will be completed.

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Theewaterskloof Municipality SDBIP 2015/2016: Top Layer SDBIP Report

Ref	Directorate	Provincial Strategic Outcome	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2016						MM COMMENT
														Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	
TL20	Corporate Services	Mainstreaming sustainability and optimising resource-use efficiency	Continuous review of policies and delegations and by-laws	Refine and improve the institutional capacity of the municipality	Institutional Development	Review and update delegations annually	Updated delegations	Legal Adviser	New	Minutes of Council Meeting	1	1	Carry Over	1	1	G	Target Achieved: The delegation register was adopted by Council on 23 June 2016		The actual performance and portfolio of evidence is valid, accurate and complete	
TL21	Corporate Services	Mainstreaming sustainability and optimising resource-use efficiency	Continuous review of policies and delegations and by-laws	Refine and improve the institutional capacity of the municipality	Institutional Development	Review and update Council's role and responsibilities annually	Reviewed Council's roles and responsibilities	Legal Adviser	1	Minutes of Council Meeting	1	1	Carry Over	1	1	G	Target Achieved: The roles and responsibilities policy was approved by Council on 26 May 2016.		The actual performance and portfolio of evidence is valid, accurate and complete	
TL74	Corporate Services	Integrating service delivery for maximum impact	Launch a productivity improvement plan based on the outcome of a productivity assessment	Good Governance and Improve the auditing status of the Municipality	Good Governance	Spend at least 95% of the workplace skills approved Budget on implementing the workplace skills plan	% of budget spend	Manager: Human Resources	95	Budget Recon	100%	0%	Carry Over	100%	88.97%	O	Target Almost Achieved: Budget spend on Implementing of the workplace skills plan was 88.97 on the 07 July 2016.	The final recon will only be available at end July 2016. (June 2016)	The actual performance and portfolio of evidence is valid, accurate and complete	
TL75	Corporate Services	Creating opportunities for growth and jobs	Day to Day Service Delivery	Good Governance and Improve the auditing status of the Municipality	Good Governance	Number of EE targets employed in three highest levels of management.	% of people employed to meet EE target	Manager: Human Resources	0	EE Report	100%	0%	Stand-Alone	100%	100%	G	Target Achieved: There were no positions advertised on the first three highest levels.		The actual performance and portfolio of evidence is valid, accurate and complete	

Chapter 3

D. Technical Services

Theewaterskloof Municipality SDBIP 2015/2016: Top Layer SDBIP Report

Ref	Directorate	Provincial Strategic Outcome	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2016					Departmental Corrective Measures	IA COMMENTS	MM COMMENTS
														Target	Actual	R	Departmental SDBIP Comments				
TL22	Technical Services	Integrating service delivery for maximum impact	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Upgrade of Waste Water Treatment Works: Villiersdorp	%as per project Plan	Manager: Civil services		1 Confirmation letter from Consultant (March) Mechanical works: taking over Certificate	100%	100%	Carry Over	100%	0%	R	Target not Achieved: The mechanical electrical contract has not reached the taking over stage in April. The mechanical contractors contract was extended internally pending the outcome of the Engineers ruling in term of the contractors extension of time claims. The mechanical contract had by the end of May still not reached Taking Over stage. The engineer's ruling on the late completion of the contract has not been received. The Employer's internal extension of the contract is valid until 30 June 2016. The taking over certificate has not been issued. Completion of the mechanical electrical contract is delayed- the Engineers progress report is attached. The installed equipment will be commissioned in the first quarter of 2016/17	The contractor has applied for an extension of time to complete the works. In terms of the contract an extension of time may be granted by the Engineer where such claims are justified. The taking over certificate will be issued upon successful commissioning of the works (June 2016)	No Performance	3rd Quarter Comments: For reasons beyond any our control. Commissioning will take place towards Mid June. 4th Quarter Comments: The long and short of this is that the contractor is at fault and they are being hold accountable for penalties. They were not given extension of time beyond June 2016.	
TL23	Technical Services	Integrating service delivery for maximum impact	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	New sewerage reticulation system, RDP housing: Villiersdorp Phase 1	%as per project Plan	Manager: PMU		Site Meeting Minutes (March). Progress certificate from Consultant (June).	50%	50%	Carry Over	50%	50%	G	Target Achieved: Construction of the bulk sewer pipeline has started with the opening of existing services. Construction has started. The contractor has started with the trench excavation and laying of the pipes. The second site meeting was held. The pipeline has been completed and is in use. The Engineers confirmation hereof is attached	The actual performance and portfolio of evidence is valid, accurate and complete			
TL24	Technical Services	Integrating service delivery for maximum impact	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Upgrade Grabouw Waste Treatment Plant.	%implementation as per project plan	Manager: PMU		Bid evaluation minutes. (February) Progress certificate from consultant. (June)	100%	50%	Carry Over	50%	50%	G	Target Achieved: Circuit Water has been appointed for the phase 3 mechanical electrical upgrading. The upgrading of the existing aerators and clarifiers has started. Circuit Water have started with the installation of the tendered equipment. Site meeting nr 2 was held. Two out of the three clarifiers included in the contract have been refurbished and commissioned. Only two of the three aerators ordered has been delivered.	The actual performance and portfolio of evidence is valid, accurate and complete			
TL25	Technical Services	Integrating service delivery for maximum impact	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	New cable between Aandblom & Veldblomtuin substations	%implementation as per project plan	DD: Electricity	100	Practical Completion Certificate. (March) Completion Certificate. (June)	100%	100%	Carry Over	100%	100%	G	Target Achieved: Project Completed	The actual performance and portfolio of evidence is valid, accurate and complete			
TL26	Technical Services	Integrating service delivery for maximum impact	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Replace switch station c/o Human & vn Riebeck street	%implementation as per project plan	DD: Electricity	1	Confirmation of equipment ordered and signed off. (March) Completion Certificate. (June)	100%	100%	Carry Over	100%	100%	G	Target Achieved: Project completed	The actual performance and portfolio of evidence is valid, accurate and complete			

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Theewaterskloof Municipality SDBIP 2015/2016: Top Layer SDBIP Report

Ref	Directorate	Provincial Strategic Outcome	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2016			Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	MM COMMENTS
														Target	Actual	R				
TL27	Technical Services	Integrating service delivery for maximum impact	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Highmass/street Lights: Villiersdorp	%as per project Plan	DD: Electricity	New	Confirmation of equipment ordered and signed off. (March) Completion Certificate. (June)	100%	100%	Carry Over	100%	100%	G	Target Achieved: Project completed		The actual performance and portfolio of evidence is valid, accurate and complete	
TL28	Technical Services	Integrating service delivery for maximum impact	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Highmass/street Lights: Grabouw	%as per project Plan	DD: Electricity	New	Confirmation of equipment ordered and signed off. (March) Completion Certificate. (June)	100%	100%	Carry Over	100%	100%	G	Target Achieved : Project completed		The actual performance and portfolio of evidence is valid, accurate and complete	
TL29	Technical Services	Integrating service delivery for maximum impact	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Upgrade network, Main street: Greyton/Genadendal	%as per project Plan	DD: Electricity	New	Confirmation of equipment ordered and signed off. (March) Completion Certificate. (June)	100%	100%	Carry Over	100%	100%	G	Target Achieved : Project completed		The actual performance and portfolio of evidence is valid, accurate and complete	
TL30	Technical Services	Integrating service delivery for maximum impact	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Upgrade network, Buitekant street: Phase II RSE	%as per project Plan	DD: Electricity	New	Confirmation of equipment ordered and signed off. (March) Completion Certificate. (June)	100%	100%	Carry Over	100%	100%	G	Target Achieved : Project completed		The actual performance and portfolio of evidence is valid, accurate and complete	
TL31	Technical Services	Integrating service delivery for maximum impact	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Upgrade overheadline Caledon & Unie Avenue	%as per project Plan	DD: Electricity	New	Confirmation of equipment ordered and signed off. (March) Completion Certificate. (June)	100%	100%	Carry Over	100%	100%	G	Target Achieved : Project completed		The actual performance and portfolio of evidence is valid, accurate and complete	

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Theewaterskloof Municipality SDBIP 2015/2016: Top Layer SDBIP Report

Ref	Directorate	Provincial Strategic Outcome	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2016						MM COMMENTS
														Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	
TL32	Technical Services	Integrating service delivery for maximum impact	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Limit distribution losses for electricity to below 8.4%	% for electricity losses	Manager: Electricity	8.4	Report received from the Department Finance	8.40%	8.40%	Reverse Stand-Alone	8.40%	4.85%	B	Target Extremely Well Achieved: Limit distribution losses for electricity is 4.85%	[D17] Manager: Electricity: Limit distribution losses for electricity is 4.85% (<i>June 2016</i>)	The actual performance and portfolio of evidence is valid, accurate and complete	
TL33	Technical Services	Integrating service delivery for maximum impact	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Upgrade bulkwater Storage capacity new reservoir:RSE	Phases completed as per project plan	Manager: PMU		Tabling report to Evaluation Committee (March). Contractor on Site (April). Completion certificate issued by consulting engineer.	100%	100%	Carry Over	100%	30%	R	Target not Achieved: SBS Tanks has been appointed and a site handover meeting has been arranged for the 4th of May. The contractor has started with the excavation of the reservoir footprint. Technical meeting nr 1 was held on site Due to the late start of the project (May), the reservoir was not completed by the end of June. The preliminary construction work such as the excavations and concrete ringbeam has been completed and the reservoir will be erected in the July.	In terms of the contract program the reservoir will be completed within the first quarter of 2016/17 (<i>June 2016</i>)	The actual performance and portfolio of evidence is valid, accurate and complete	4th Quarter Comments: Problems with tendering process accepted. Reservoir should be ready by early August 2016.
TL34	Technical Services	Integrating service delivery for maximum impact	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Upgrade the existing bulk water storage through the construction of a reservoir and related connecting pipework for Grabouw (excluding the rising main from treatement plant to reservoir)	Phases completed as per project plan	Manager: PMU	100	completion certificate issued by the consultant engineer	100%	0%	Carry Over	0%	0%	N/A		n/a - KPI was removed with the Mid-Year review		
TL35	Technical Services	Integrating service delivery for maximum impact	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Upgrading of the existing stormwater networks to accommodate additional stormwater run off from the Villiersdorp housing project	Phases completed as per project plan	Manager: PMU	100	completion certificate issued by the consultant enginee	100%	0%	Carry Over	0%	0%	N/A		n/a - KPI was removed with the Mid-Year review		

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Theewaterskloof Municipality SDBIP 2015/2016: Top Layer SDBIP Report

Ref	Directorate	Provincial Strategic Outcome	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2016					Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	MM COMMENTS
														Target	Actual	R						
TL36	Technical Services	Integrating service delivery for maximum impact	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Upgrade of the Villiersdorp Waste Water Treatment Works: Civils Contract	Contract Documentation	Manager: PMU	100	Contract Documentation ready for SCM Processes	100%	100%	Carry Over	100%	0%	R			Target not Achieved: The Engineers projected cashflow, received in January, which prompted the decision to postpone the second civils contract due to insufficient funding availability, has been found to be incorrect. The procurement process for the second civils contract will now be restarted. The contract will be implemented in the 16/17 financial year. The mechanical electrical works has not reached Taking Over stage. The Engineer's ruling with regard to the late completion of the works is still outstanding. The Employer's internal extension of the contract remains in place. The Engineer failed to deliver the contract documentation as planned - See attached explanation provided by the Engineer.	The contract documentation is expected in July whereafter the procurement process of the second civils contract will commence (June 2016)	No Performance	3rd Quarter Comments: Reasons accepted. Tender back to Spec Committee before end of June. Should allow commissioning period of Mechanical Contractor to be completed first 4th Quarter Comments: The delay with Mechanical contractor and reported delayed the project
TL37	Technical Services	Integrating service delivery for maximum impact	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Improved environmental management	Basic Service Delivery	Public awareness of recycling and composting	approved implementation plan	Manager: Water & Waste Water	1	Management Minutes	1	1	Carry Over	1	1	G			Target Achieved: Plan was submitted to Management on the 29th April 2016. B115/2016.		Although the implementation plan was sent to Management for approval, it was referred back for additions. Thus, the implementation plan was not approved as stated in the Unit of Measurement.	
TL38	Technical Services	Integrating service delivery for maximum impact	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Extension of Waste Transfer Station: Grabouw	%as per project Plan	Manager: PMU	100	Evaluation Report submitted to SCM (March) Progress Certificate (June)	50%	50%	Carry Over	50%	50%	G			Target Achieved: Project is in implementation phase. All funds for 2015/16 financial year is spent. Project continues and will be completed in 2016/17 financial year.		The actual performance and portfolio of evidence is valid, accurate and complete	
TL39	Technical Services	Integrating service delivery for maximum impact	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Limit water losses to less than 24%	% of unaccounted for water	Manager: Civil services	15	Report received from the Department Finance	24%	24%	Reverse Stand-Alone	24%	25%	R			Target not Achieved July: Water Losses 24% August: Water Losses 25% September: Water losses 26% October: Water losses 26% November: Water losses 26% January: Water losses 28% Feb: water losses 13%. March: Current Losses = 22.7% April: Water Losses 24% May: Current Losses is 24.8% June: Current losses as per Water Balance spreadsheet is 25%	Implementation of the WDWCM strategy and Water loss Reduction Plan Implementation of the WDWCM Strategy, Water Loss reduction plan implementation of the following: Water Loss reduction plan Water Demand Management Strategy Make use of other "sprinkly water use" initiatives	The actual performance and portfolio of evidence is valid, accurate and complete	3rd Quarter Comments: Progress report being prepared for discussion at Audit Committee and for Portfolio 4th Quarter Comments: Full report on progress/ lack of progress will be presented at next Audit Com Meeting
TL40	Technical Services	Integrating service delivery for maximum impact	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Report on the water loss reduction initiatives as per project plan	Quarterly reporting to portfolio	Manager: Civil services	New	Report received from the Department Finance	3	3	Accumulative	3	1	R			Target not Achieved: Report to be submitted 12 May 2016 Item have been presented to the Performance and Audit Committee Water loss initiatives submitted to Audit and Performance committee. Operations submitted Initiatives to management	Investigating causes for high losses in Certain towns and will be provided with report. Minutes of Audit meeting after which item will be referred to Management To adhere to resolution by Performance and Audit committee	The actual performance and portfolio of evidence is valid, accurate and complete	3rd Quarter Comments: Progress report being prepared for discussion at Audit Committee and for Portfolio 4th Quarter Comments: Full report on progress/ lack of progress will be presented at next Audit Com Meeting

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Theewaterskloof Municipality SDBIP 2015/2016: Top Layer SDBIP Report

Ref	Directorate	Provincial Strategic Outcome	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2016							MM COMMENTS
														Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS		
TL41	Technical Services	Integrating service delivery for maximum impact	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	New water connector pipe Phukom Housing, Villiersdorp	%as per project plan	Manager: PMU		Issuing of Instruction Progress Certificate	100%	50%	Carry Over	50%	50%	G	Target Achieved : Awaiting the implementing agent construction rates and tariffs report to be submitted to bid adjudication committee. <i>(April 2016)</i> Approval of the implementing agent's tariffs has been received from the MM on the recommendation of the BAC. The site will be handed over to the contractor early in June. <i>(May 2016)</i> Phase 1.1 of the new connector pipeline has commenced. By 30 June 60% of the pipeline was installed- refer to the Engineers progress report <i>(June 2016)</i>		The actual performance and portfolio of evidence is valid, accurate and complete		
TL42	Technical Services	Integrating service delivery for maximum impact	Day to Day Service Delivery	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Upgrading of fleet	Vehicle purchased as per budget	Head: Fleet Management		Payment certificate	100%	100%	Carry Over	100%	80%	O	TargetAlmost Achieved Re-: Delivery of Diggerloader on 14/06/2016 Delivery of Refuse Compactor 23/06/2016 Outstanding the delivery of Roller with Trailer on 22/07/2016 or sooner as per tender /contract	[D32] Head: Fleet Management: Outstanding invoice of Roller with trailer - Hand in of invoice after delivery on 22/07/2016 <i>(June 2016)</i>	The actual performance and portfolio of evidence is valid, accurate and complete	3rd Quarter Comments: Bear in mind that an additional amount of R2.9mil was made available in the Adjustment Budget. 80% is spend of the original Budget of R3mil 4th Quarter Comments: Waiting for delivery of Roller. It is ready but the trailer is still being built	
TL43	Technical Services	Integrating service delivery for maximum impact	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	New storm water infrastructure: Phukom	%completed as per project plan	Manager: PMU		Completion Certificate	100%	0%	Carry Over	0%	0%	N/A			n/a - KPI was removed with the Mid-Year review		
TL44	Technical Services	Integrating service delivery for maximum impact	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Access road: Tessealaarsdal	%completed as per project plan	Manager: Civil services	2	Completion Certificate	100%	0%	Carry Over	0%	0%	N/A			n/a - KPI was removed with the Mid-Year review		

Chapter 3

Theewaterskloof Municipality SDBIP 2015/2016: Top Layer SDBIP Report

Ref	Directorate	Provincial Strategic Outcome	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2016					MM COMMENTS	
														Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures		IA COMMENTS
TL65	Technical Services	Mainstreaming sustainability and optimising resource-use efficiency	Day to Day Service Delivery	Good Governance and Improve the auditing status of the Municipality	Basic Service Delivery	Provision of basic refuse removal and solid waste disposal to all formal HH (registered debtors) at least once a week in TWK municipal area.	No of HH (registered debtors) with access to basic refuse removal.	Director: Technical Services	New	Municipal accounts Report of registered debtors on the Abakus system as on 30 June.	3,500	0	Carry Over	3,500	15,154	B	Target Extremely Well Achieved:		The actual performance and portfolio of evidence is valid, accurate and complete	
TL66	Technical Services	Mainstreaming sustainability and optimising resource-use efficiency	Day to Day Service Delivery	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Basic Service Delivery	Provision of basic water to all formal HH (registered debtors) in TWK municipal area.	No of HH (registered debtors) with access to basic water supply.	Director: Technical Services	New	Municipal accounts report of registered debtors on the Abakus system as on 30 June.	3,500	0	Carry Over	3,500	14,957	B	Target Extremely Well Achieved:		The actual performance and portfolio of evidence is valid, accurate and complete	
TL67	Technical Services	Mainstreaming sustainability and optimising resource-use efficiency	Day to Day Service Delivery	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Basic Service Delivery	Provision of basic electricity to all formal HH (registered debtors) in TWK municipal area.	No of HH (registered debtors) with access to basic electricity	Director: Technical Services	New	Municipal accounts report of registered debtors on the Abakus system as on 30 June.	1,700	0	Carry Over	1,700	6,496	B	Target Extremely Well Achieved:		The actual performance and portfolio of evidence is valid, accurate and complete	
TL68	Technical Services	Mainstreaming sustainability and optimising resource-use efficiency	Day to Day Service Delivery	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Basic Service Delivery	Provision of basic sanitation to all formal HH (registered debtors) in TWK municipal area.	No of HH (registered debtors) with access to basic sanitation.	Director: Technical Services	New	Municipal Accounts Report of registered debtors on the Abakus system on 30 June.	3,500	0	Carry Over	3,500	13,406	B	Target Extremely Well Achieved:		The actual performance and portfolio of evidence is valid, accurate and complete	
TL73	Technical Services	Creating opportunities for growth and development in rural areas	Infrastructure and bulk upgrades	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Basic Service Delivery	100% Spending of Capital Grants and Loans	% of Budget spent	Director: Technical Services		Budget Recon	100%	0%	Carry Over	100%	73%	R	Target not Achieved: R59 915 342.00 has been allocated for Financial year and only R43 898 807.00 were spend.	awaiting final statements from Finance by end of July	The actual performance and portfolio of evidence is valid, accurate and complete	Reality speaking we have been overlay ambitious with the target

Chapter 3

E. Operational Services

Theewaterskloof Municipality SDBIP 2015/2016: Top Layer SDBIP Report

Ref	Directorate	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2016					MM COMMENTS	
											Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures		IA COMMENTS
TL45	Operational Services	Infrastrcture and bulk upgrades	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Implement water losses initiatives in all towns	Number of reports	Management minutes	4	3	Accumulativ e	3	3	G	Target Achieved: Presented at Portfolio meeting 07.10.2015 Minutes of Portfolio Meeting Attached Pg 14-16 March: Reports Adobted by Managementon 18 march 2016 - Ref: B77/2016 & B78/2016 June: Minutes of Management meeting 10 June 2016 pg.12-14. REF:B144/2016 Minutes of Portfolio pg. 9-11 08 June 2016		The actual performance and portfolio of evidence is valid, accurate and complete	
TL46	Operational Services	Infrastrcture and bulk upgrades	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Develop scheduled maintenance programs per town with respect to water networks, sanitation networks, Roads & Stormwater, Sports and buildings.	Number of Maintenance Programs	Minutes of Portfolio	5	5	Accumulativ e	5	5	G	Target Achieved: August: Portfolio was held today 08.09.2015, minutes to follow.OP29/2015		The actual performance and portfolio of evidence is valid, accurate and complete	
TL47	Operational Services	Implementation of Law Enforcement Strategy	Increased community safety through traffic policing, bylaw enforcement and disaster management	Basic Service Delivery	Submit quarterly progress reports on the implementation of the law enforcement strategy to the portfolio committee for public safety	Number of reports submitted	Minutes of Portfolio committee	4	3	Accumulativ e	3	3	G	Target Achieved: Minutes of Portfolio Meeting 7 October 2015 Attached Report submitted to Portfolio on the 3rd February 2016. REF:OP07/2016 Portfolio minutes 08 June 2016 attached. See Pg. 43-47. REF:OP33/2016		The actual performance and portfolio of evidence is valid, accurate and complete	

Chapter 3

Theewaterskloof Municipality SDBIP 2015/2016: Top Layer SDBIP Report

Ref	Directorate	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2016						MM COMMENTS
											Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	
TL48	Operational Services	Upgrading and maintaining of municipal sport fields/grounds	Creating and enabling environment favourable for economic and human development in a sustainable manner	Local Economic Development	Provision of Sport Facility Tesselaarsdal Phase 1	Completion Certification and Progress Report	Completion Certification and Progress Report	100%	100%	Carry Over	100%	0%	R	Target Not Achieved: Minutes of portfolio meeting 08 June 2016 attached see pg 52-60. Report was submitted to Portfolio. Email correspondence and Spendings to date attached. (June 2016)	Die doel van die verslag is om aan die Raad terugvoering te gee tov die vordering wat gemaak is met die opgradering van die Tesselaarsdal Sportfasiliteit projek, asook dat die Raad oorweging daaraan skenk om die gedeelte ongebruikte fondse wat vir die projek beskikbaar gestel was na die volgende finansiële jaar oort te plaas en dat die fondse met die aansuiweringsbegroting gedurende Augustus 2016 reggestel word. (June 2016)	No Performance.	Explanation accepted. Additional portion of land had to be negotiated. Long delays in getting such land owner at the table. Agreement has since been reached.
TL49	Operational Services	Implementation of Law Enforcement Strategy	Increased community safety through traffic policing, bylaw enforcement and disaster management	Basic Service Delivery	Establishment of community safety forum	Communitiy Safety forums established	Signed TOR	2	2	Accumulative	2	2	G	Target Achieved: October: CSF has been established on the 3rd November and Terms of Reference were adopted (pls ask Alfira to provide you attendance register and maybe minutes - if they were taking them - to attach as evidence). November : TOR attached + Minutes and attendance Register- Community Safety Forums in Riviersonderend and Villiersdorp		The actual performance and portfolio of evidence is valid, accurate and complete	

Chapter 3

Theewaterskloof Municipality SDBIP 2015/2016: Top Layer SDBIP Report

Ref	Directorate	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2016					MM COMMENTS	
											Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures		IA COMMENTS
TL50	Operational Services	The replication of sustainable concepts and methodologies developed as part of the Grabouw Sustainable Development Initiative	Creating and enabling environment favourable for economic and human development in a sustainable manner	Basic Service Delivery	Submit report on VPUU	Quarterly report	Portfolio minutes	4	4	Accumulative	4	4	G	Target Achieved: August: Quarterly Report was tabled to Portfolio Committee on the 5th August; OP26/2015 October: Minutes of Porfolio Meeting 7 Oct 2015 Attached .Ref: OP38/2015 Quarterly report tabled and discussed at ACT meeting on the 21st October, letter for disbursement of DORA allocation signed off by MM and sent off to Province. 3rd quarter report tabled to Portfolio on the 3rd Feb. REF:OP02/2016. The report was tabled at Portfolio 08 June 2016. ref : OP31/2016		The actual performance and portfolio of evidence is valid, accurate and complete	
TL60	Operational Services	Continuous review of policies and delegations and by-laws	Creating and enabling environment favourable for economic and human development in a sustainable manner	Basic Service Delivery	Purchase of erven 279/811-Terselaarsdal Library	Council Approval	Minutes of Council Meeting	1	1	Carry Over	1	1	G	Target Achieved: August: Council approved the purchase of erven on the 27th August 2015. Ref: C136/2015		The actual performance and portfolio of evidence is valid, accurate and complete	
TL77	Operational Services	Infrastruture and bulk upgrades	Good Governance and Improve the auditing status of the Municipality	Good Governance	100% Spending of capital grants and loans	% of Budget spent	Budget Recon	0%	0%	Carry Over	100%	35%	R	KPI not Achieved: An amount of R4 638 774. were allocated to projects andR1 619 802. were spent for financial year.	The final spending amounts will only be available at end July 2016.	The actual performance and portfolio of evidence is valid, accurate and complete	Realistically speaking we have been overly ambitious with the target

Chapter 3

F. Development

Theewaterskloof Municipality SDBIP 2015/2016: Top Layer SDBIP Report

Ref	Directorate	Provincial Strategic Outcome	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2016					MM COMMNETS
														Target	Actual	R	Departmental SDBIP Comments	IA COMMENTS	
TL51	Development Services	Integrating service delivery for maximum impact	Improved Communication and community involvement	Creating and enabling environment favourable for economic and human development in a sustainable manner	Basic Service Delivery	Quarterly report on NGO Forum initiatives	Number of Reports	Manager: LED		Management minutes	3	0	Accumulative	0	0	N/A		n/a - KPI was removed with the Mid-Year review	
TL52	Development Services	Developing integrated and sustainable human settlements	Implementation of the Human Settlements Program which includes programs such as IRDP, EHP & EPHP) & Provision and Implementation of serviced sites	To develop integrated and sustainable human settlements that will address the housing demand within the Theewaterskloof area	Basic Service Delivery	Implementation of Housing Pipeline	Quarterly report on Housing Pipeline to Housing Steering Committee	Manager: Housing	New	Housing Steering Committee Minutes	3	3	Accumulative	3	4	B	Target extremeley well Achieved: Report was presented on the 22 October 2015 The Meeting was held on the 21 January 2016. meeting was held 15 March 2016. Meeting was held May 2016	The actual performance and portfolio of evidence is valid, accurate and complete.	
TL53	Development Services	Developing integrated and sustainable human settlements	Implementation of the Human Settlements Program which includes programs such as IRDP, EHP & EPHP) & Provision and Implementation of serviced sites	To develop integrated and sustainable human settlements that will address the housing demand within the Theewaterskloof area	Basic Service Delivery	Reporting on status of conveyencing implementation plan	Number of reports submitted to Housing Steering Committee	Manager: Housing		Housing Steering Committee Minutes	3	3	Accumulative	3	4	B	Target extremeley well Achieved: Report was presented on the 22 October 2015 The Meeting was held on the 21 January 2016. meeting was held 15 March 2016. Meeting was held May 2016	The actual performance and portfolio of evidence is valid, accurate and complete.	
TL54	Development Services	Mainstreaming sustainability and optimising resource-use efficiency	Implementation of the Human Settlements Program which includes programs such as IRDP, EHP & EPHP) & Provision and Implementation of serviced sites	To develop integrated and sustainable human settlements that will address the housing demand within the Theewaterskloof area	Basic Service Delivery	Draft Housing SOP (EHP Formal Housing)	SOP approved by Portfolio	Manager: Housing		Management minutes	3	1	Accumulative	1	1	G	Target Achieved: Management approved the Standard Operating Procedure for Emergency Housing relating to Formal dwelling .	The actual performance and portfolio of evidence is valid, accurate and complete.	
TL55	Development Services	Developing integrated and sustainable human settlements	Implementation of the Human Settlements Program which includes programs such as IRDP, EHP & EPHP) & Provision and Implementation of serviced sites	To develop integrated and sustainable human settlements that will address the housing demand within the Theewaterskloof area	Basic Service Delivery	Implementation of Housing Pipeline	%of budget(Capital & Operational) spent in lin with Provincial allocation	Manager: Housing		Section 71 Report minutes	100%	100%	Carry Over	100%	65%	R	Target not Achieved: The total Allocation is R 78 276m and the capital portion amounts to R11 682m of which R 4 330 m was spent and the operating amounts to R66 594m of which R 46 773 m spent. The total amount spent to date is R51 102m which is 65.28% of the total Budget (R78 276m) Calculation used is:(Total Budget of R78 276m/ 51 102m that is operational + capital) Refer to Section 2 for Capital and Section 6 for the Operational	According to the Section 71 report: Budget = R 78 276 000; Total spending (Operational + Capital) = R 44 667 000 Thus % actual = 57%	The Waterworks Project delayed for reasons beyond our control. After QS Report received it was concluded that a development o this terrain is unaffordable. Took time to replan this project. Looking at a "piggy back" procurement process in consultation with DHS. Second delay with the Riviersonderend project.

Chapter 3

Theewaterskloof Municipality SDBIP 2015/2016: Top Layer SDBIP Report

Ref	Directorate	Provincial Strategic Outcome	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2016			Departmental SDBIP Comments	IA COMMENTS	MM COMMENTS
														Target	Actual	R			
TL56	Development Services	Integrating service delivery for maximum impact	Vigorous driving and management of projects of the financial sustainability steering committee	Creating and enabling environment favourable for economic and human development in a sustainable manner	Basic Service Delivery	Approval of Land Use Planning by-law inclusive of Integrated Zoning scheme by September 2015	Approved by-law	Manager: Town Planning	1	Published by-law	1	1	Carry Over	1	1	G	Target Achieved July: By - law published on 20 July 2015 in Provincial Gazette. Land Use Planning By-law was published in Provincial Gazette on 20 July 2015.	The actual performance and portfolio of evidence is valid, accurate and complete.	
TL57	Development Services	Integrating service delivery for maximum impact	Vigorous driving and management of projects of the financial sustainability steering committee	Creating and enabling environment favourable for economic and human development in a sustainable manner	Basic Service Delivery	Draft TOR for the Land Use Tribunal	Approved TOR	Manager: Town Planning		Management minutes	1	1	Carry Over	1	1	G	Target Achieved: submitted and approved by management on the 20 May 2016. REF: M130/2016 (June 2016)	The actual performance and portfolio of evidence is valid, accurate and complete.	
TL58	Development Services	Integrating service delivery for maximum impact	Vigorous driving and management of projects of the financial sustainability steering committee	Creating and enabling environment favourable for economic and human development in a sustainable manner	Basic Service Delivery	Establishment of Land Use Planning Tribunal	Council Approval	Manager: Town Planning		Council Minutes	1	1	Carry Over	1	1	G	Target Achieved: July: Council approved Land use Tribunal on 17 June 2015.	The actual performance and portfolio of evidence is valid, accurate and complete.	
TL59	Development Services	Integrating service delivery for maximum impact	Continuous review of policies and delegations and by-laws	Creating and enabling environment favourable for economic and human development in a sustainable manner	Basic Service Delivery	Approve SLA with Cape Country Meander	Council Approval	Manager: LED	New	Minutes of Council Meeting	1	0	Carry Over	0	0	N/A		n/a - KPI was removed with the Mid-Year review	
TL61	Development Services	Integrating service delivery for maximum impact	Infrastructure and bulk upgrades	Creating and enabling environment favourable for economic and human development in a sustainable manner	Basic Service Delivery	Extension 12 Infrastructure Contribution	Rand value contributed as per SLA	Manager: Property Management		Completion Certificate	R 400,000	R 0	Carry Over	R 0	R 0	N/A		n/a - KPI was removed with the Mid-Year review	

Chapter 3

Theewaterskloof Municipality SDBIP 2015/2016: Top Layer SDBIP Report

Ref	Directorate	Provincial Strategic Outcome	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2016			Departmental SDBIP Comments	IA COMMENTS	MM COMMENTS
														Target	Actual	R			
TL62	Development Services	Integrating service delivery for maximum impact	Continuous review of policies and delegations and by-laws	Good Governance and Improve the auditing status of the Municipality	Good Governance	Adoption of Oversight report of Annual Report	Adoption of Oversight report of Annual report	Manager: IDP	1	Minutes of Council Meeting	1	1	Carry Over	1	1	G	Target Achieved: Oversight Report was adopted by Council on the 23 March 2016. (March 2016)	The actual performance and portfolio of evidence is valid, accurate and complete.	
TL69	Development Services	Creating opportunities for growth and jobs	Implement the Youth Development Strategy in line with National programs such as EPWP, CWP and the youth entrepreneurial project	Creating and enabling environment favourable for economic and human development in a sustainable manner	Local Economic Development	Number of work opportunities created through LED (EPWP)	Progress Report	Manager: LED	New	Progress Report to District	80	0	Accumulative	120	323	B	Target Well Achieved: Work Opportunities for the financial year were 323. Progress Report will go to District Municipality in July 2016.	The actual performance and portfolio of evidence is valid, accurate and complete.	
TL70	Development Services	Integrating service delivery for maximum impact	Improved Communication and community involvement	Creating and enabling environment favourable for economic and human development in a sustainable manner	Local Economic Development	Establishment of NGO Forum	Approved TOR	Manager: LED	New	Management Minutes	1	1	Accumulative	1	0	R	Target not Achieved: The Terms of Reference to serve at Management Meeting scheduled for 24 June 2016.	No Performance	Magnitude and complexity of the project underestimated and accordingly on unsatisfactory outcome report was referred back by management and the whole project has to be replanned and repeated.
TL71	Development Services	Mainstreaming sustainability and optimising resource-use efficiency	Implementation of the Human Settlements Program which includes programs such as IRDP, EHP & EPHP) & Provision and Implementation of serviced sites	To develop integrated and sustainable human settlements that will address the housing demand within the Theewaterskloof area	Basic Service Delivery	Draft a SLA (Squatter)	Number of SLA's approved by Portfolio	Manager: Housing	New	Portfolio Minutes	1	0	Accumulative	1	1	G	Target Achieved: The Housing SLA (squatters) is approved	The actual performance and portfolio of evidence is valid, accurate and complete.	
TL72	Development Services	Integrating service delivery for maximum impact	Establish an investor and developer institutional friendly environment within the Municipality	Creating and enabling environment favourable for economic and human development in a sustainable manner	Local Economic Development	Local Economic Development Open Day (Buy Local Campaign).	Database of Local Suppliers/manufacturers and tourism product owners.	Manager: Housing	New	Advertisement and Database	1	0	Accumulative	1	1	G	Target Achieved: Open Day took place in the form of the Cape Country Connect on 13 April 2016 in Elgin Valley. It was attended by approximately 40 local suppliers and 60 product owners.	The actual performance and portfolio of evidence is valid, accurate and complete.	
TL78	Development Services	Creating opportunities for growth and jobs	Day to Day Service Delivery	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	100% spending of capital grants and loans (R310 000.00)	% of budget spend	DD: Development		Budget Recon	100%	0%	Carry Over	100%	100%	G	Target Achieved: R310 000.00 was budgeted and spend. Purchase house for Library - Tessaarsdal	The actual performance and portfolio of evidence is valid, accurate and complete.	

Chapter 3

G .Internal Audit

Theewaterskloof Municipality SDBIP 2015/2016: Top Layer SDBIP Report

Ref	Directorate	Provincial Strategic Outcome	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Period-To-Date As At June 2016			Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	MM Comments
														Target	Actual	R				
TL63	Internal Audit	Integrating service delivery for maximum impact	Work towards obtaining a clean audit	Good Governance and Improve the auditing status of the Municipality	Good Governance	Execute the Internal Audit Programme	Number of audits completed	Chief Audit Executive	39	Minutes of Audit Committee	33	33	Accumulative	33	38	G2	Target Well Achieved: August: The following audits were completed in the 4th Quarter 2014/2015 and reported to the PAC on 28 August 2015: 1. Inventory 4th Quarter Audit 2. Solid Waste 4th Quarter Audit 3. Low or No Productivity 4. Slow or No Recovery of Revenue 5. Performance Management Audit 6. Debtors Data Audit 7. MSA Compliance Audit 8. Funding Received for Grabouw Potholes 9. Funding for provision of link services to Riemvasmaak 10. Distribution Losses Audit 11. Internal Audit Follow-up 12. AG Follow-up 13. 2014/2015 Performance Assessment October: 4 Audits were reported at the PAC meeting of 30 October 2015: P&AC57/2015 SCM 4th Quarter Audit P&AC58/2015 Inventory Audit P&AC59/2015 Risk Management Audit P&AC61/2015 Housing Audit November: The following audits were completed in the 1st Quarter 2015/2016 and reported to the PAC on 25 November 2015: 1. Backlog in Infrastructure Audit 2. Excel Formula Audit 3. Solid Waste 1st Quarter Audit 4. 1st Quarter Compliance Assessment 5. 1st Quarter SDBIP 6. Internal Audit Follow-up Audit. The following audits were reported to the PAC on 3 June 2016: 1. Inventory Audit, 2. SCM 2nd Quarter Audit, 3. 3rd Quarter Compliance, 4. ICT Audit, 5. Contract Management Audit, 6. Solid Waste Audit, 7. SDBIP 3rd Quarter Audit, 8. IA Follow-up report.		The actual performance and portfolio of evidence is valid, accurate and complete	
TL64	Internal Audit	Integrating service delivery for maximum impact	Work towards obtaining a clean audit	Good Governance and Improve the auditing status of the Municipality	Good Governance	Audit the action plan to address AG findings annually	Number of audits completed	Chief Audit Executive	1	Minutes of the management meeting	2	2	Accumulative	2	2	G	Target Achieved: Report presented to Management on 29 January 2016 and to the PAC on 4 March 2016 (February 2016). Reported to management on 10 June 2016. M141/2016		The actual performance and portfolio of evidence is valid, accurate and complete	

Chapter 3

Service Delivery Budgeted Implementation Plan for 2016/2017

a. EXECUTIVE AND COUNCIL

Theewaterskloof Municipality

SDBIP 2016/2017: Top Layer SDBIP Report

Ref	Directorate	Pre-determined Objectives	NDP Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measure	Wards	Area	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculated	Year-To-Date As At June 2017						
																Target	Actual	R	Departmental SDBIP Comments		IA COMMENTS	
TL1	Office of the Municipal Manager	Improved Communication and community involvement	Developing a capable and Development State	Good Governance and Improve the auditing status of the Municipality	Good Governance	Report quarterly to Mayco on the implementation of the communication strategy	Number of reports submitted	All	All	Deputy Director: Office of MM	3	Minutes of Mayco	4	3	Accumulative	3	3	G	Target Achieved: Report was at MAYCO on the 18 October 2016. EMC 120/2016 Report was at MAYCO on the 14th Feb 2017. EMC07/2017 Report was at MAYCO on the 20 June 2017. EMC 76/2017			The actual performance and portfolio of evidence is valid, accurate and complete
TL2	Office of the Municipal Manager	Improved Communication and community involvement	Developing a capable and Development State	Good Governance and Improve the auditing status of the Municipality	Good Governance	Report quarterly to Mayco on the implementation of the Customer Relations programme	Number of reports submitted	All	All	Deputy Director: Office of MM	3	Minutes of Mayco	4	3	Accumulative	3	3	G	Target Achieved: Report was at MAYCO on the 18 October 2016. EMC 110/2016 Report was at MAYCO on the 14th Feb 2017. EMC08/2017 Report was at MAYCO on the 20 June 2017. EMC 75/2017			The actual performance and portfolio of evidence is valid, accurate and complete

Chapter 3

b. DIRECTORATE FINANCE

Theewaterskloof Municipality SDBIP 2016/2017: Top Layer SDBIP Report

Ref	Directorate	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Reporting Category	Annual Target	Revised Target	KPI Calculation Type	Year-To-Date As At June 2017						IA COMMENTS	MM COMMENTS
																Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures			
TL3	Financial Services	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Compile Plan to address AG audit findings annually	Plan Completed	All	All	Director: Finance		1 Minutes of Management meeting during which plan was approved	Internal	1	1	Stand-Alone	1	1	G	Target Achieved: Management Meeting 17 February 2017		The actual performance and portfolio of evidence is valid, accurate and complete		
TL4	Financial Services	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Submit bi-annual financial statements to Audit Committee	Number of Statements submitted	All	All	Director: Finance	2	Minutes of Audit Committee	Internal	2	2	Accumulative	2	2	G	Target Achieved: Statements was submit 30 August P&AC19/2017 03 March 2017		The actual performance and portfolio of evidence is valid, accurate and complete		
TL5	Financial Services	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Achieve a payment percentage of 90% by the end of June 2017	Payment%	All	All	Director: Finance	89%	Section 71 Report	Internal	90%	90%	Carry Over	90%	88%	O	Target Almost Met: Payment % as at June 2017 = 88%	continuous Implementation of the municipal credit control and debt collection strategy and initiate legal procedures with major defaulters (June 2017)	The actual performance and portfolio of evidence is valid, accurate and complete	Actuals to change once AFS are finalised and audited	

Chapter 3

Theewaterskloof Municipality SDBIP 2016/2017: Top Layer SDBIP Report

Ref	Directorate	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Reporting Category	Annual Target	Revised Target	KPI Calculation Type	Year-To-Date As At June 2017						
																Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	MM COMMENTS
TL6	Financial Services	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services) (30% by end of June 2022)	Ratio achieved	All	All	Director: Finance	52.03%	Section 71 Report	Internal	54%	54%	Reverse Stand-Alone	54%	53.66%	B	Target Extremely Well Achieved: Ratio as at June 2017 = 53.66%		The actual performance and portfolio of evidence is valid, accurate and complete	
TL7	Financial Services	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Financial viability measured in terms of the available cash to cover fixed operating expenditure (Available cash+ investments)/ Monthly fixed operating expenditure) The eventual target for this ratio	Ratio achieved	All	All	Director: Finance	2	Section 71 Report	Internal	1	1	Carry Over	1	2.3	B	Target Extremely Well Achieved: Ratio as at June 2017 = 2.3		The actual performance and portfolio of evidence is valid, accurate and complete	

Chapter 3

Theewaterskloof Municipality SDBIP 2016/2017: Top Layer SDBIP Report

Ref	Directorate	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Reporting Category	Annual Target	Revised Target	KPI Calculation Type	Year-To-Date As At June 2017						IA COMMENTS	MM COMMENTS
																Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures			
TL8	Financial Services	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Financial viability measured in terms of the municipality's ability to meet its service debt obligations ((Total operating revenue-operating grants received) /debt service payments due within the year) (%) The	Ratio achieved	All	All	Director: Finance	14.42	Section 71 Report	Internal	11	11	Carry Over	11	15.25	G2	Target Well Achieved: Ratio as at June 2017 = 15.25 (June 2017)		The actual performance and portfolio of evidence is valid, accurate and complete		
TL9	Financial Services	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Provision of free basic water in terms of the equitable share requirements	No of indigent HH receiving free basic water	All	All	Manager: Revenue	3972	Report from the financial system	CoGTA	3,500	5,000	Carry Over	5,000	5,364	G2	Target Well Achieved: At end June 2017 = 5364		The actual performance and portfolio of evidence is valid, accurate and complete		
TL10	Financial Services	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Provision of free basic electricity in terms of the equitable share requirements	No of indigent HH receiving free basic electricity	All	All	Manager: Revenue	1510	Report from the financial system	CoGTA	1,700	1,900	Carry Over	1,900	2,117	G2	Target Well Achieved: Electricity 2117		The actual performance and portfolio of evidence is valid, accurate and complete		

Chapter 3

Theewaterskloof Municipality SDBIP 2016/2017: Top Layer SDBIP Report

Ref	Directorate	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Reporting Category	Annual Target	Revised Target	KPI Calculation Type	Year-To-Date As At June 2017						
																Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	MM COMMENTS
TL11	Financial Services	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Provision of free basic refuse removal in terms of the equitable share requirements	No of indigent HH receiving free basic refuse removal	All	All	Manager: Revenue	4212	Report from the financial system	CoGTA	3,500	4,300	Carry Over	4,300	4,366	G2	Target Well Achieved: Refuse removal 4366		The actual performance and portfolio of evidence is valid, accurate and complete	
TL12	Financial Services	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Provision of free basic sanitation in terms of the equitable share requirements	No of indigent HH receiving free basic sanitation	All	All	Manager: Revenue	4134	Report from the financial system	CoGTA	3,500	4,200	Carry Over	4,200	4,316	G2	Target Very Well Achieved: Sanitation 4316		The actual performance and portfolio of evidence is valid, accurate and complete	
TL87	Financial Services	Improved Financial Management	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Submit report on status of Finance contracts to council.	Number of Reports	All	All	Manager: SCM	3	Minutes of Council Meeting	Internal	4	3	Accumulative	3	3	G	Target Achieved: 3 Reports has been submitted for the financial year.		The actual performance and portfolio of evidence is valid, accurate and complete	

Chapter 3

c. CORPORATE SERVICES

Theewaterskloof Municipality

4th Quarter Report 2016-17 Corporate

Ref	Directorate	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Year-To-Date As At June 2017						
															Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	MM COMMENTS
TL13	Corporate Services	Improved IT service and infrastructure	Refine and improve the institutional capacity of the municipality	Institutional Development	Review identified ICT policy annually and submit report to ICT Steering Committee	Number of reports on policies reviewed and submitted to ICT Steering Committee	All	All	Manager:ICT	1	Minutes of meeting ICT Steering Committee	1	1	Carry Over	1	1	G	Target Achieved: The policies were reviewed and those identified were submitted to the ICTSC and 1 has already been approved by Council.		The actual performance and portfolio of evidence is valid, accurate and complete	
TL14	Corporate Services	Improved IT service and infrastructure	Refine and improve the institutional capacity of the municipality	Institutional Development	Replace redundant computers	Rand value of approved budget spent	All	All	Manager:ICT	R 161,934.26	Signed off invoices and asset register	R 350,000	R 350,000	Carry Over	R 350,000	350,000	G	Target Achieved: Computer earmarked for replacement were procured and delivered.		The actual performance and portfolio of evidence is valid, accurate and complete	
TL15	Corporate Services	Implement outcome based training strategies and programmes	Refine and improve the institutional capacity of the municipality	Institutional Development	Implement the workplace skills plan annually	60 % of personnel identified trained	All	All	Manager: Human Resources	100%	Training stats kept and submitted to the SETA	60%	60%	Carry Over	60%	100%	B	Target Extremely Well Achieved: OCTOBER: 8% of the Employees identified for training was trained in October 2016. NOVEMBER: 24% (24) of the staff members identified for training received training in November 2016 DECEMBER: 13.5% (32) of the staff identified for training will receive training in December 2016. JANUARY: According to SDF 22 of the 237 employees identified for training received training in January 2017 which is 9% FEBRUARY: 12% of the employees identified for training received training in February 2017. MARCH: 22% of the personnel identified for training received training in March 2017. APRIL: 8% of the people identified for training received training in April 2017. MAY: 7% of the employees identified for training received training in May 2017. JUNE: 26% of the staff identified for training received training in June 2017.		The actual performance and portfolio of evidence is valid, accurate and complete	

Chapter 3

Theewaterskloof Municipality

4th Quarter Report 2016-17 Corporate

Ref	Directorate	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Year-To-Date As At June 2017						
															Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	MM COMMENTS
TL16	Corporate Services	Continuous review of policies and delegations and by-laws	Refine and improve the institutional capacity of the municipality	Institutional Development	Review HR identified policies annually and submit report to Management	Number of reports on policy reviewed and submitted to Management	All	All	Manager: Human Resources	2	Minutes of Management Meeting	1	1	1 Carry Over	1	1	G	Target Achieved: Reviewed policies has been at Management on the 15 June 2017. REF: B123/2017		The actual performance and portfolio of evidence is valid, accurate and complete	
TL17	Corporate Services	Implement outcome based training strategies and programmes	Refine and improve the institutional capacity of the municipality	Institutional Development	Percentage of budget spent on implementing the workplace skills plan	% of actual budget spent	All	All	Manager: Human Resources	88.97%	Budget Expenditure Report	95%	95%	1 Carry Over	95%	100%	G2	Target Well Met: [D22] Manager: Human Resources: 100% OF THE TRAINING BUDGET SPENT. (April 2017) [D22] Manager: Human Resources: 114% of the training budget was spent as at 31 May 2017 (May 2017) [D22] Manager: Human Resources: 852 945.66 of the training budget was spend to date which is an over achievement of the KPI (June 2017)		The actual performance and portfolio of evidence is valid, accurate and complete	
TL18	Corporate Services	Improved administrative function	Refine and improve the institutional capacity of the municipality	Institutional Development	The number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan	Number of people from EE target groups employed	All	All	Manager: Human Resources	1	EE numerical targets report to DOL	1	1	1 Carry Over	1	1	G	Target Achieved: Report was send to DOL in September 2016.		The actual performance and portfolio of evidence is valid, accurate and complete	
TL19	Corporate Services	Improved Communication and community involvement	Good Governance and Improve the auditing status of the Municipality	Good Governance	Establishment of ward committees	Number of established Ward committees	All	All	Councilor support	14	Minutes of Council Meeting	14	14	14 Carry Over	14	14	G	Target Achieved: 14 Ward Committees has been established		The actual performance and portfolio of evidence is valid, accurate and complete	

Chapter 3

Theewaterskloof Municipality

4th Quarter Report 2016-17 Corporate

Ref	Directorate	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Year-To-Date As At June 2017						
															Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	MM COMMENTS
TL20	Corporate Services	Improved Communication and community involvement	Good Governance and Improve the auditing status of the Municipality	Good Governance	Report on functionality of ward committee	Number of reports	All	All	Councilor support	New	Minutes of Council Meeting	2	1	Accumulative	1	0	R	Target not Achieved: A status report in terms of the Ward Committee establishment was tabled at Council. At this stage we cannot report on the functionality of the ward committees as some of the wards have only met twice and we are still in the process of getting ward committees to give feedback to the constituencies. Our first quarter for the new financial year starts July 2017	A report will be tabled at Council at the October 2017 Council meeting	No Performance	Ward Committees was fully established in February 2017. only two ward committee meetings held in the financial year. This is not sufficient to evaluate functionality
TL21	Corporate Services	Continuous review of policies and delegations and by-laws	Refine and improve the institutional capacity of the municipality	Institutional Development	Review and update delegations annually	Updated delegations	All	All	DD: Corporate	1	Minutes of Council Meeting	1	1	Carry Over	1	1	G	Target Achieved: Delegation register adopted by Council on 15 August 2016. The election was only held on 3 August 2016 and was the first meeting held within 7 days thereafter		The actual performance and portfolio of evidence is valid, accurate and complete	
TL22	Corporate Services	Continuous review of policies and delegations and by-laws	Refine and improve the institutional capacity of the municipality	Institutional Development	Review and update Council's role and responsibilities annually	Reviewed Council's roles and responsibilities	All	All	DD: Corporate	1	Minutes of Council Meeting	1	1	Carry Over	1	2	B	Target Extremely Well Achieved: Roles and Responsibilities of Council and Municipal Manager was adopted on the 29th May 2017. Ref: C92/2017		The actual performance and portfolio of evidence is valid, accurate and complete	
TL69	Corporate Services	Implement the Youth Development Strategy in line with National programs such as EPWP, CWP and the youth entrepreneurial project	Creating and enabling environment favourable for economic and human development in a sustainable manner	Local Economic Development	Draft Events By-law	Approved By-Law	All	All	Legal Adviser	new	Minutes of Council Meeting	1	1	Carry Over	1	1	G	Target Achieved: Draft Events Policy has been approved in February 2017 by council. C22/2017		The actual performance and portfolio of evidence is valid, accurate and complete	
TL88	Corporate Services	Improved Financial Management	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Submit report on status of Corporate Services contracts to council	Number of Reports	All	All	DD: Corporate	3	Minutes of Council meeting	4	3	Accumulative	3	3	G	Target Achieved: Report was submitted to council on the 07 December 2016. C168/2016 The report for Oct to December will be submitted by 23 January 2017 for Council to consider. Third quarter report for contract reporting January to March 2017 submitted and approved by Council on 29 May 2017		The actual performance and portfolio of evidence is valid, accurate and complete	

Chapter 3

d. TECHNICAL SERVICES

Theewaterskloof Municipality 4th Quarter Report 2016-17

Ref	Directorate	National KPA	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Year-To-Date As At June 2017							
																Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	MM COMMENTS	
TL27	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Completion of bulk sewer upgrade in Buitenkant street Villiersdorp, phase 1b (completion of phase 1)	%as per project Plan	6; 7	All	Manager: PMU	50%	Site meeting minutes/ Completion Certificate	50%	50%	Carry Over	50%	50%	G	Target Achieved: Phase 1 has been completed.		The actual performance and portfolio of evidence is valid, accurate and complete		
TL28	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Completion of the upgrade Grabouw Waste Treatment Plant Phase 3 (completion of project started in 15/16)	%implementation as per project plan	9; 10; 11; 12; 13	All	Manager: PMU	50%	Mechanical works: taking over Certificate	50%	50%	Carry Over	50%	50%	G	Target Achieved: Project completed		The actual performance and portfolio of evidence is valid, accurate and complete		
TL29	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	New bulk water connector pipe line for the low-cost housing development at New Frans	%implementation as per project plan		7 Villiersdorp; Grabouw; Grabouw; Grabouw; Grabouw	Manager: Civil services	new	Issuing of instruction (March) Progress certificate(June)	100%	100%	Carry Over	100%	100%	G	Target Achieved: Project Completed		The actual performance and portfolio of evidence is valid, accurate and complete		
TL30	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Water source investigation: Genadendal	Investigation report		7 Villiersdorp; Grabouw; Grabouw; Grabouw; Grabouw	Manager: PMU	new	Signed report & management minutes	1	1	Carry Over	1	1	G	Target Achieved: Investigation completed and report submitted.		The actual performance and portfolio of evidence is valid, accurate and complete. Although the report was uploaded as evidence it was not reported to Management as stated in the source of evidence. The report was only issued on 30 June 2017 by the service provider.		

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Theewaterskloof Municipality 4th Quarter Report 2016-17

Ref	Directorate	National KPA	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Year-To-Date As At June 2017						
																Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	MM COMMENTS
TL31	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	New bulk & internal civil engineering services for the low-cost housing development at Beverly Hills: Grabouw	%implementation as per project plan		10 Villiersdorp; Grabouw; Grabouw; Grabouw; Grabouw	Manager: PMU	new	Site meeting minutes/ Completion Certificate	100%	50%	Carry Over	50%	10%	R	Target Not Achieved: JANUARY: The bill of quantities, as priced by the contractor Makholi Trading, has been received together with an evaluation thereof by the consulting engineers, AECOM. The information will be presented to bid evaluation committee in February. FEBRUARY: Bid evaluation committee report has been submitted to secretariat in terms of the revised project plan (attached). MARCH: Site handover could not take place due to uncertainty of funding availability. Funding for the internal services was removed from the Department Human Settlements business plan APRIL: The contract has been signed and the site handed over to the contractor. Site handover meeting was held 19 April MAY: The contractor is awaiting wayleaves from Escom and Telkom. Upon receipt of this, construction can start JUNE: Construction has started but due to the late start completion of the bulk water & sewer component was not reached. Construction will continue in the new financial year.	The milestone "site handover & commence construction activities" was not reached in December due to the delay in the section 32 process. The milestone must be revised to February when it is likely to be achieved Construction will continue in the new financial year and completion of the bulk water and sewer component is expected within the first quarter	The actual performance and portfolio of evidence is valid, accurate and complete	Much Difficulty experienced in procuring service providers from the Framework of DOHS. Delays were experienced in obtaining all of the SCM documentation from DoHS followed by Suppliers either filing for insolvency or retracting from the SCMprocess as they where unable to quote within the allocation. this ment having to repeat processes for the sake of compliance.
TL32	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	New bulk water connector pipe line for the low-cost housing development at Erf 289:RSE	%implementation as per project plan	All	10 Villiersdorp; Grabouw; Grabouw; Grabouw; Grabouw	Manager: PMU	new	Site meeting minutes/Certificate	100%	100%	Carry Over	100%	10%	R	JANUARY: The contractor Q Civils has submitted a completed Bill of Quantities. This is being evaluated and will be presented to bid evaluation committee in February.) FEBRUARY: The contractor selected from the Contractors Framework (Q Civils) has been liquidated. Another contractor (Dezzo Development Holdings) has now been selected to tender for this project. MARCH: The new contractor (Dezzo Development Holdings) have tendered too high. The available DHS funding for internal services is insufficient and an award in the full scope of the contract is not possible. The contract will be phased. Phase 1 will be the bulk services and phase 2 the internal services. This is funded by the MIG and sufficient funding is available for this. Phase 1 can be awarded in April. April: Site handover was not reached in April. The negotiations with Dezzo Development Holdings to secure an appointment within the available funding failed. The contractor withdrew their offer. May: The contract has been awarded to Asla Construction by means of a deviation process. The site has been handed over and construction has started. June: The bulk water component could not be completed by the end of June due to the late start to construction.	An alternative appointment by means of SCM Policy regulation 36 is being investigated Construction will continue in the new financial year and completion of the bulk water component is expected within the first quarter	The actual performance and portfolio of evidence is valid, accurate and complete	Much Difficulty experienced in procuring service providers from the Framework of DOHS. Delays were experienced in obtaining all of the SCM documentation from DoHS followed by Suppliers either filing for insolvency or retracting from the SCMprocess as they where unable to quote within the allocation. this ment having to repeat processes for the sake of compliance.

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Theewaterskloof Municipality 4th Quarter Report 2016-17

Ref	Directorate	National KPA	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Year-To-Date As At June 2017						
																Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	MM COMMENTS
TL33	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	New internal civil engineering services for the low-cost housing development at Erf 289:RSE	%Implementation as per project plan	All	Villiersdorp; Grabouw; Grabouw; Grabouw; Grabouw	Manager: PMU	new	Site meeting minutes/Certificate	100%	30%	Carry Over	30%	10%	R	Target not Achieved: JANUARY: The contractor Q Civils has submitted a completed Bill of Quantities. This is being evaluated and will be presented to bid evaluation committee in February.) FEBRUARY: The contractor selected from the Contractors Framework (Q Civils) has been liquidated. Another contractor (Dezzo Development Holdings) has now been selected to tender for this project. MARCH: The new contractor (Dezzo Development Holdings) have tendered too high. The available DHS funding for internal services is insufficient and an award in the full scope of the contract is not possible. The contract will be phased. Phase 1 will be the bulk services and phase 2 the internal services. This is funded by the MIG and sufficient funding is available for this. Phase 1 can be awarded in April. The funding for the internal services will have to be rolled over to 2017/18. The Department of human Settlements will be approached and requested to increase the allocation for the internal services to enable the awarding thereof in 17/18 (March 2017) APRIL: Site handover was not reached in April. The negotiations with Dezzo Development Holdings to secure an appointment within the available funding failed. The contractor withdrew their offer. MAY: The contract has been awarded to Asla Construction by means of a deviation process. The site has been handed over and construction has started. JUNE: The milestone (20% completion of the internal services) was not achieved due to the late start to construction.	An alternative appointment by means of deviations, SCM policy regulation 36 is being investigated Construction will continue in the new financial year	The actual performance and portfolio of evidence is valid, accurate and complete	Much Difficulty experienced in procuring service providers from the Framework of DOHS. Delays were experienced in obtaining all of the SCM documentation from DoHS followed by Suppliers either filing for insolvency or retracting from the SCM process as they were unable to quote within the allocation. This meant having to repeat processes for the sake of compliance.
TL34	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Water source development : Tesselaarsdal (Partial implementation)	Reports to Management	4	Villiersdorp; Grabouw; Grabouw; Grabouw; Grabouw	Manager: PMU	new	Progress report submitted to management	2	2	Accumulative	2	2	G	Target Achieved: Report has been submitted to Management on the 09 September 2016. M218/2016 Item loaded to be at next Management meeting		The actual performance and portfolio of evidence is valid, accurate and complete. The report was uploaded on Collab for Management on 12 June 2017 but, there has not been a Management meeting, thus the report could not be presented to Management.	
TL35	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	New bulk water supply pipeline for the proposed low-cost housing development at Destiny Farm: Phase 1.2 (completion of phase 1, started in 15/16)	%Implementation as per project plan	6	Villiersdorp; Grabouw; Grabouw; Grabouw; Grabouw	Manager: PMU	new	Issuing of instruction (March) Progress certificate(June)	50%	50%	Carry Over	50%	50%	G	Target Achieved: Phase 1.2 has been completed.		The actual performance and portfolio of evidence is valid, accurate and complete	

Chapter 3

Theewaterskloof Municipality 4th Quarter Report 2016-17

Ref	Directorate	National KPA	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Year-To-Date As At June 2017						Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	MM COMMENTS
																Target	Actual	R							
TL36	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Upgrade of the Villiersdorp existing Waste Water Treatment Works: 2nd Civils Contract	% implementation as per project plan	6; 7	Villiersdorp; Villiersdorp	Manager: PMU	upgrade	Site meeting minutes/Certificate	100%	100%	Carry Over	100%	0%	R				Target Not Achieved: JANUARY: The second civils tender document has been submitted to secretariat and will be presented to bid specification committee in February. FEBRUARY: This project will now be incorporated into the contract with the Implementing Agent ASLA. The contractor is currently pricing the bill of quantities. MARCH: ASLA have tendered for the 2nd civils contract. The tender offer is however in excess of the available funding. A reduction of the scope in line with the available funding is being investigated. April: The revised offer from ASLA has not been received- awaiting the engineers reduction of the bill of quantities to facilitate this May: Negotiations between the engineer and ASLA aimed at reducing the scope and value tender offer in line with our available funding, has failed. The available funding must be rolled over to enable the implementation of the second civils contract in the new FY. June: Implementation of this KPI did not start due a lack in funding. An appointment could not be made due to the value of the tender offer received from ASLA Construction. The delay in completing the mechanical contract also contributed to the failure to meet this KPI milestone	The 100% target in April was due to be revised to 10% with the SDBIP review. A revised offer in line with the available funding is expected in May The available funding must be rolled over and the scope of work must be reduced inline with the available funding in order to implement the KPI in a reduced scope	No Performance	the mechanic contractor will hand over project by end July 2017. Project will then be complete. Savings would have been used to enhance this project hence the reason for the 2nd civils contract. The funding is however not sufficient to do this enhancement, therefore left over funds can be seen as a savings.
TL37	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Improved environmental management	Basic Service Delivery	Public awareness of recycling and composting	approved implementation plan	All	All	Manager Water, Waste Water & Solid Waste	1	Management Minutes	1	1	Carry Over	1	1	G				Target Achieved: FEBRUARY: Implementation plan was approved by management on the 10th of Feb 2017.	The actual performance and portfolio of evidence is valid, accurate and complete		
TL38	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Extension of Waste Transfer Station: Grabouw (continuation & completion of project started in 2015/16)	% as per project Plan	10; 11; 12; 13	Villiersdorp; Grabouw; Grabouw; Grabouw; Grabouw; Grabouw	Manager Water, Waste Water & Solid Waste	Extension	Completion Certificate and handover	50%	50%	Carry Over	50%	50%	G				Target Achieved: Project Completed.	The actual performance and portfolio of evidence is valid, accurate and complete		

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Theewaterskloof Municipality 4th Quarter Report 2016-17

Ref	Directorate	National KPA	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Year-To-Date As At June 2017						
																Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	MM COMMENTS
TL39	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Upgrading of existing bulk sewer pipeline between Caledon/Middlyton and Waste Treatment Works (Phase 1)	%as per project Plan		4 Villiersdor; Grabouw; Grabouw; Grabouw; Grabouw	Manager: PMU	upgrade	Site meeting minutes/ Completion Certificate	100%	100%	Carry Over	100%	100%	G	Target Achieved: Project Completed		The actual performance and portfolio of evidence is valid, accurate and complete	
TL40	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	New bulk sewer system low -cost housing development at Erf 289:RSE	%as per project Plan	All	Villiersdor; Grabouw; Grabouw; Grabouw; Grabouw	Manager: PMU	new	Site meeting minutes/Certificate	100%	100%	Carry Over	100%	10%	R	Target Not Achieved: JANUARY: The contractor Q Civils has submitted a completed Bill of Quantities. This is being evaluated and will be presented to bid evaluation committee in February. FEBRUARY: The contractor selected from the Contractors Framework (Q Civils) has been liquidated. Another contractor (Dezzo Development Holdings) has now been selected to tender for this project. MARCH: The new contractor (Dezzo Development Holdings) have tendered too high. The available DHS funding for internal services is insufficient and an award in the full scope of the contract is not possible. The contract will be phased. Phase 1 will be the bulk services and phase 2 the internal services. This is funded by the MIG and sufficient funding is available for this. Phase 1 can be awarded in April. The funding for the internal services will have to be rolled over to 2017/18. The Department of human Settlements will be approached and requested to increase the allocation for the internal services to enable the awarding thereof in 17/18. April: Site handover was not reached in April. The negotiations with Dezzo Development Holdings to secure an appointment within the available funding failed. The contractor withdrew their offer. May: The contract has been awarded to Asla Construction by means of a deviation process. The site has been handed over and construction has started. June: Practical completion of the bulk sewer service was not achieved due to the late construction start date	An alternative appointment by means of Deviation, SCM policy regulation 36 is being investigated. Construction will continue in the new financial year	The actual performance and portfolio of evidence is valid, accurate and complete	Much Difficulty experienced in procuring service providers from the Framework of DOHS. Delays were experienced in obtaining all of the SCM documentation from DoHS followed by Suppliers either filing for insolvency or retracting from the SCMprocess as they where unable to quote within the allocation. this ment having to repeat processes for the sake of compliance.
TL41	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	New bulk sewer system for the proposed low-cost housing development at Destiny Farm: Villiersdor. Phase 2	%as per project Plan		7 Villiersdor; Grabouw; Grabouw; Grabouw; Grabouw	Manager: PMU	new	Issuing of Instruction (September) Progress certificate (June)	100%	100%	Carry Over	100%	100%	G	Target Achieved: Phase 2 has been completed. Completion certificate was issued 23 June 2017		The actual performance and portfolio of evidence is valid, accurate and complete	

Chapter 3

Theewaterskloof Municipality

4th Quarter Report 2016-17

Ref	Directorate	National KPA	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Year-To-Date As At June 2017							
																Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	MM COMMENTS	
TL42	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Upgrade bulk water storage capacity; Completion of new reseivor RSE	%as per project Plan		7 Villiersdorp; Grabouw; Grabouw; Grabouw; Grabouw	Manager: PMU	upgrade	Completion Certificate	50%	50%	Carry Over	50%	50%	G	Target Achieved: Project completed		The actual performance and portfolio of evidence is valid, accurate and complete		
TL43	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Limit water losses to less than 20%	% of unaccounted for water	All	All	Manager: Civil services	25%	Report received from the Department Finance	24%	24%	Stand-Alone	24%	21%	B	Target Extremely Well Achieved: OCTOBER: Water losses at 22% NOVEMBER: Water losses at 22% DECEMBER: Require water readings from towns, revenue office, budget office and month-end bulk meter readings to produce a water balance for December 2016 JANAUARY: Current losses calculated to be 15.6%. January's losses to be inaccurate due to the fact that the certain bulk meter loggers are faulty and are in the process of being repaired. Town's affected are Tessaelaarsdal, Villiersdorp and Botrivier. FEBRUARY: current losses 18% March: current losses 24% April: Water losses currently at 15%. May: Water losses currently at 26%. June: Current losses at 21%		The actual performance and portfolio of evidence is valid, accurate and complete		
TL44	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Report on the water loss reduction initiatives as per project plan	Quarterly reporting to Management	All	All	Manager: Civil services	1	Management Minutes	3	3	Accumulative	3	3	G	Target Achieved: April: Report approved by Management. Report submitted to Portfolio - 3 May 2017 and have been approved. May: Accepted by Management and Portfolio. Ref: Tech 09/2017 June: Minutes of 1 June 2017.		The actual performance and portfolio of evidence is valid, accurate and complete		

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Theewaterskloof Municipality

4th Quarter Report 2016-17

Ref	Directorate	National KPA	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Year-To-Date As At June 2017						
																Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	MM COMMENTS
TL45	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Upgrade of the stormwater systems in the TWK municipal area:Phukom, Villiersdorp	%as per project plan	All	All	Manager: PMU	upgrade	Issuing of instruction (March) Progress certificate(June)	100%	100%	Carry Over	100%	30%	R	Target not Achieved: Project suspended pending the outcome of the Destiny Farm EIA	This KPI has been included in the new financial year budget and implementation will start once the EIA has concluded	The actual performance and portfolio of evidence is valid, accurate and complete	Project should have been removed with the revision as the budget was adjusted and poject re budgeted for in the 2017/18 financial year. Project could not commence as the people residing along the storm water channel could not be relocated due to the pending EIA submission of Destiny.
TL46	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	New waste transfer station Caledon	%as per project plan	4; 5	All	Manager: PMU	new	Issuing of instruction (September) Progress certificate (June)	100%	100%	Carry Over	100%	30%	R	Target not Achieved: May: Request for comments is out (May 2017) June: Different studies are underway that was prescribed by DEA&DP and Cape nature.	JPCE will put out tender for the fencing for Caledon RTS/MRF once the location of the site has been confirmed and the tender document has been approved by TWK.	The actual performance and portfolio of evidence is valid, accurate and complete	Project dependent on EIA. Awaiting final EIA
TL47	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Upgrading and replacement of 11kV ringfeed in central business area (Victoria Street)	%as per project Plan	4; 5	All	DD: Electricity	upgrade	Site meeting minutes/Certificate	100%	100%	Carry Over	100%	100%	G	Target Achieved: Project Completed		The actual performance and portfolio of evidence is valid, accurate and complete	

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Theewaterskloof Municipality

4th Quarter Report 2016-17

Ref	Directorate	National KPA	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Year-To-Date As At June 2017						
																Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	MM COMMENTS
TL48	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Replace miniature substation in Basil Newmark Street	%as per project Plan	4; 5	All	DD: Electricity		1 Site meeting minutes/Certificate	100%	100%	Carry Over	100%	100%	G	Target Achieved: Project Completed		The actual performance and portfolio of evidence is valid, accurate and complete	
TL49	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Electrification of Santa	%as per project Plan	4; 5	All	DD: Electricity	new	1 Site meeting minutes/Certificate	100%	97%	Carry Over	97%	97%	G	Target Achieved: Project Completed		The actual performance and portfolio of evidence is valid, accurate and complete	
TL50	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Replace switchgear in MS industrial	%as per project Plan	4; 5	All	DD: Electricity	new	1 Site meeting minutes/Certificate	100%	100%	Carry Over	100%	100%	G	Target Achieved: Project Completed		The actual performance and portfolio of evidence is valid, accurate and complete	

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4th Quarter Report 2016-17

Ref	Directorate	National KPA	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Year-To-Date As At June 2017						
																Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	MM COMMENTS
TL51	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Replace and upgrade network De La Vigne: Greyton	%as per project Plan	4; 5	All	DD: Electricity	new	Site meeting minutes/Certificate	100%	100%	Carry Over	100%	100%	G	Target Achieved: Project Completed		The actual performance and portfolio of evidence is valid, accurate and complete	
TL52	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Limit distribution losses for electricity to below 8.4%	% of unaccounted for electricity	All	All	Manager: Electricity	4.85%	Distribution losses report	8.40%	8.40%	Stand-Alone	8.40%	5.20%	B	Target Very Well Achieved: June: The limit distribution losses for electricity must be below 8.4%. We are 5.2 % which means that we are well below the 8.4% and has met our target.		The actual performance and portfolio of evidence is valid, accurate and complete	
TL53	Technical Services	Basic Service Delivery	Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Installation of high mast lighting for low-cost housing development : Grabouw	%as per project Plan	4; 5	All	DD: Electricity	New	Practical completion (March) Completion Certificate (June)	100%	100%	Carry Over	100%	100%	G	Target Achieved: Project Completed		The actual performance and portfolio of evidence is valid, accurate and complete	

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Theewaterskloof Municipality

4th Quarter Report 2016-17

Ref	Directorate	National KPA	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Year-To-Date As At June 2017						
																Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	MM COMMENTS
TL54	Technical Services	Basic Service Delivery	Conserve the natural environment and improve the quality of our living environment	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Expansion of Cemetery in Caledon	%as per project plan	4; 5	All	Manager: Environment and Disaster Management	New	Progress report	100%	100%	Carry Over	100%	100%	G	Target Achieved: Project Completed		The actual performance and portfolio of evidence is valid, accurate and complete	
TL55	Technical Services	Basic Service Delivery	Conserve the natural environment and improve the quality of our living environment	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Submission of EIA on the expansion of Cemetery in Grabouw	Submission of application to DEADP	9; 10; 11; 12; 13	All	Manager: Environment and Disaster Management	New	Acknowledgement of receipt from DEADP	1	1	Carry Over	1	1	G	Target Achieved: Acknowledgment letter attached.		The actual performance and portfolio of evidence is valid, accurate and complete	
TL56	Technical Services	Municipal Financial Management	Improved Financial Management	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Basic Service Delivery	Submit report on status of Technical Services contracts to council	Number of reports submitted	All	All	DD: Technical Services	3	Minutes of Council Meeting	4	3	Accumulative	3	3	G	1 Quarter was submitted to council 27th February 2017. C14/2017 2nd Quarter report was at council on the 29 March 2017. C38/2017		The actual performance and portfolio of evidence is valid, accurate and complete	
TL57	Technical Services	Municipal Financial Management	Improved Financial Management	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Basic Service Delivery	100% Spending of Capital of Grants and Loans	%budget spent	All	All	DD: Technical Services	73%	Budget Recon	100%	100%	Carry Over	100%	82.02%	O	Target Almost Achieved: Budget = R46 164 807 Spending = R37 932 915		The actual performance and portfolio of evidence is valid, accurate and complete	sams as TL31;32;33

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Theewaterskloof Municipality 4th Quarter Report 2016-17

Ref	Directorate	National KPA	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Year-To-Date As At June 2017							
																Target	Actual	R	Departmental SDBIP Comments		Departmental Corrective Measures	IA COMMENTS	MM COMMENTS
TL84	Technical Services	Municipal Financial Viability and Management	Improved Financial Management	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Basic Service Delivery	100% Spending of Capital of Grants and Loans	%budget spent	All	All	DD: Technical Services	New	Budget Recon	100%	0%	Carry Over	0%	0.00%		Removed		KPI REMOVED		
TL89	Technical Services	Basic Service Delivery	Day to Day Service Delivery	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Installation of High mast lighting for formal and informal housing development : Villiersdorp (Destiny)	% as per project plan	6	Villiersdorp	DD: Electricity	new	Practical Completion (March) Completion Certificate (June)	100%	100%	Carry Over	100%	100%	G	Target Achieved: Project Completed		The actual performance and portfolio of evidence is valid, accurate and complete		
TL90	Technical Services	Basic Service Delivery	Day to Day Service Delivery	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Installation of High mast lighting for formal and informal housing development : Caledon (Riemvasmaak)	% implementation as per project plan	3	Caledon	DD: Electricity	New	appointment letter, proof of material ordered and completion certificate	100%	100%	Carry Over	100%	100%	G	Target Achieved: Project Completed		The actual performance and portfolio of evidence is valid, accurate and complete		
TL91	Technical Services	Basic Service Delivery	Day to Day Service Delivery	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make	Basic Service Delivery	Upgrading Villiersdorp bulk water supply pipeline for the proposed low cost housing	% implementation as per project plan	6	Villiersdorp	Manager: PMU	upgrade	Site meeting minutes / Completion Certificate	100%	0%	Carry Over	100%	100%	G	Target Achieved: Project Completed		The actual performance and portfolio of evidence is valid, accurate and complete		

Chapter 3

e. OPERATIONAL SERVICES

Theewaterskloof Municipality 4th Quarter Report 2016-17 Corporate

Ref	Directorate	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Year-To-Date As At June 2017						
															Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	MM COMMENTS
TL23	Operational Services	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Provision of basic water to all formal households (registered debtors) in TWK municipal area	No of HH (registered debtors) with access to basic water supply	All	All	Director: Operational Services	14834	Municipal Accounts Report of registered debtors on the Abakus system as on 30 June	12,814	14,834	Stand-Alone	14,834	15187	G2	Target Well Achieved: Formal HH per registered debtors 15187		The actual performance and portfolio of evidence is valid, accurate and complete	
TL24	Operational Services	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Basic Service Delivery	Provision of basic electricity to all formal households (registered debtors) in TWK municipal area	No of HH (registered debtors) with access to basic electricity	All	All	Director: Operational Services	6448	Municipal Accounts Report of registered debtors on the Abakus system as on 30 June	6,515	6,515	Stand-Alone	6,515	6860	G2	Target Well Achieved: Formal HH per registered debtors 6860		The actual performance and portfolio of evidence is valid, accurate and complete	
TL25	Operational Services	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Basic Service Delivery	Provision of basic refuse removal and solid waste disposal to all formal households (registered debtors) atleast once a week in TWK municipal area	No of HH (registered debtors) with access to basic refuse removal	All	All	Director: Operational Services	15118	Municipal Accounts Report of registered debtors on the Abakus system as on 30 June	14,583	15,118	Stand-Alone	15,118	15411	G2	Target Well Achieved: Formal HH per registered debtors 15411		The actual performance and portfolio of evidence is valid, accurate and complete	
TL26	Operational Services	Work towards obtaining a clean audit	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Basic Service Delivery	Provision of basic sanitation to all formal households in TWK municipal area	No of HH (registered debtors) with access to basic sanitation	All	All	Director: Operational Services	13377	Municipal Accounts Report of registered debtors on the Abakus system as on 30 June	13,002	13,377	Stand-Alone	13,377	13647	G2	Target Well Achieved: Formal HH per registered debtors 13647		The actual performance and portfolio of evidence is valid, accurate and complete	
TL58	Operational Services	Infrastructure and bulk upgrades	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Develop scheduled maintenance programs per town with respect to water networks, sanitation networks, Roads & Stormwater, Sports and buildings.	Number of Maintenance Programs	All	All	Director: Operational Services	5	Minutes of Portfolio	5	5	Carry Over	5	5	G	Target Achieved: OCTOBER: PORTFOLIO MINUTES ATTACHED 5 OCT 2016. OP 46/2016		The actual performance and portfolio of evidence is valid, accurate and complete	

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Theewaterskloof Municipality 4th Quarter Report 2016-17 Corporate

Ref	Directorate	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Year-To-Date As At June 2017						
															Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	MM COMMENTS
TL59	Operational Services	Implementation of Law Enforcement Strategy	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Submit quarterly progress reports on the activities of Traffic and Law Enforcement	Number of reports submitted	All	All	Director: Operational Services	3	Minutes of Portfolio committee	3	3	Accumulative	3	3	G	Target Achieved: OCTOBER: PORTFOLIO MINUTES 5 OCT 2016 ATTACHED. OP 55/2016 PG. 57-59 (October 2016) FEBRUARY: Minutes of Portfolio meeting (01 Feb 2017) attached. See OP06/2017: MAY: OP33/2017		The actual performance and portfolio of evidence is valid, accurate and complete	
TL60	Operational Services	Implementation of Law Enforcement Strategy	Increased community safety through traffic policing, bylaw enforcement and disaster management	Basic Service Delivery	Establishment of community safety forum in Caledon and Grabouw	Community Safety forums established	All	All	Manager: Traffic	New	Adopted TOR and minutes of the meeting	2	0	Accumulative	0	0	N/A	KPI REMOVED		KPI REMOVED	
TL61	Operational Services	The replication of sustainable concepts and methodologies developed as part of the Grabouw Sustainable Development Initiative	Creating and enabling environment favourable for economic and human development in a sustainable manner	Basic Service Delivery	Submit report on VPUU	Quarterly report	6, 7	All	Program manager: Sustainable Development	4	Portfolio minutes	4	4	Accumulative	4	4	G	Target Achieved: SEPT: Portfolio Minutes 07 Sep 2016 attached. OP44/2016 Pg. 53-58 NOVEMBER: Quarterly report served at Portfolio Committee on the 2nd Nov : Item number : 224328 ; with the following recommendations: RESOLVED BY THE OPERATIONS COMMITTEE : 02 November 2016 After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Alderman PU Stanfliet, and seconded by Councillor N Pieterse, it was resolved as follows: 1. The Operations Portfolio Committee takes cognizance of the report. 2. That this report be noted as the 2nd report in the series of quarterly reports providing feedback on the VPUU initiative. DECEMBER: OP59/2016 (December 2016) FEBRUARY: Minutes of Portfolio		The actual performance and portfolio of evidence is valid, accurate and complete	

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Theewaterskloof Municipality 4th Quarter Report 2016-17 Corporate

Ref	Directorate	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Year-To-Date As At June 2017						
															Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	MM COMMENTS
TL62	Operational Services	Improved Financial Management	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Good Governance	Submit report on status of Operational Services contracts to council	Number of reports submitted	All	All	Director: Operational Services	3	Council Minutes	4	4	Accumulative	4	4	G	Target Achieved: SEPTEMBER: COUNCIL MINUTES 28 JULY 2016 ATTACHED. C88/2016 PG. 29-333 DECEMBER: Report was at council on the 07th December 2016. REF:166/2016 : MARCH: Report on contracts (Oct-Dec2016) 2nd Quarter 2016/17. Minutes of Council Meetings attached. See C15/2017 MAY: Minutes of Council meeting 29 May 2017 attached. See item no. C81/2017		The actual performance and portfolio of evidence is valid, accurate and complete	
TL63	Operational Services	Conserve the natural environment and improve the quality of our living environment	Improved environmental management	Good Governance	Signed SLA with Town Planning Dept relating to Directorate Operations roles and functions w.r.t. the Spatial Development Framework for Botriver.	Local Spatial Development Framework tabled to Council	7	Botriver	Program manager: Sustainable Development	new	Minutes of the Council Meeting	1	1	Carry Over	1	1	G	Target Achieved: SLA has been signed.		The actual performance and portfolio of evidence is valid, accurate and complete	
TL64	Operational Services	Upgrading and maintaining of municipal sport fields/grounds	Creating and enabling environment favourable for economic and human development in a sustainable manner	Basic Service Delivery	Completion of Tessaalaarsal Sports Field	% as per project plan	All	All	Manager: Sport and recreation	new	Progress report/completion certificate	100%	100%	Carry Over	100%	70%	R	Target not Achieved: The project is 70% completed with only the last three items outstanding. ESKOM, Fencing and Construction of Clubhouse.	The time frame is longer than what was expected. ESKOM is currently in process to address this outstanding issue.	The actual performance and portfolio of evidence is valid, accurate and complete	Electrification of facility is not within the municipality's control.

Chapter 3

f. DEVELOPMENT SERVICES

Theewaterskloof Municipality

4th Quarter Report 2016-17

Ref	Directorate	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation	Year-To-Date As At June 2017									
														Target	Actual	R	Departmental SDBIP Comments		Departmental Corrective Measures		IA COMMENTS		MM COMMENTS
TL65	Development Services	Creating and enabling environment favourable for economic and human development in a sustainable manner	Local Economic Development	Implementation of LED strategy	Successful implementation of 3 initiatives namely:i) Investment Promotion; ii)Coordinating Forum for NGO's; iii) Youth Development (Quarterly Report to Portfolio)	All	All	Manager: LED	3	Portfolio minutes	4	3	Accumulative	3	3	G	Target Achieved LED Strategy – Reporting of progress made towards three initiatives 1. Develop SOP for investment promotion: Phase Two was completed in January in partnership with Province - a developer incentives policy, an investment guideline and development contribution policy were established. 2. Co-ordinating forum for NGOs: The fourth Social Development Forum took place on 22 February, where various funding opportunities were presented and a workshop was facilitated by Social Development. 3. SMME Development: A compliance and registration workshop was hosted by LED and Supply Chain in February for Small Micro Medium Enterprises.		The actual performance and portfolio of evidence is valid, accurate and complete				
TL66	Development Services	Creating and enabling environment favourable for economic and human development in a sustainable manner	Local Economic Development	Number of work opportunities created through LED (EPWP)	Progress Report	All	All	Manager: LED	323	Progress report to District	380	428	Carry Over	428	444	G2	Target Well Met: A total number of 444 work opportunities were created during the period (01 APR 2016 to 31 MAR 2017).		The actual performance and portfolio of evidence is valid, accurate and complete				
TL67	Development Services	Creating and enabling environment favourable for economic and human development in a sustainable manner	Local Economic Development	Develop a Sports Tourism Strategy	Approved Strategy	All	All	Manager: LED	New	Minutes of Council Meeting	1	0	Carry Over	0	0	N/A	KPI REMOVED		KPI REMOVED				
TL68	Development Services	Creating and enabling environment favourable for economic and human development in a sustainable manner	Local Economic Development	Develop an Events Policy	Approved Policy	All	All	Manager: LED	new	Minutes of Council Meeting	1	0	Carry Over	0	0	N/A	KPI MOVED TO CORPORATE		KPI REMOVED				

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Theewaterskloof Municipality

4th Quarter Report 2016-17

Ref	Directorate	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation	Year-To-Date As At June 2017					Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	MM COMMENTS
														Target	Actual	R						
TL70	Development Services	Creating and enabling environment favourable for economic and human development in a sustainable manner	Local Economic Development	Draft Investment Incentives Guidelines	Approved Guidelines by Management	All	All	Manager: LED	new	Minutes of Management Meeting	1	1	Carry Over	1	1	G	Investment Facilitation policy guidelines were workshoped with Council 20 April 2017. Guidelines to appear before Management		The actual performance and portfolio of evidence is valid, accurate and complete			
TL71	Development Services	Creating and enabling environment favourable for economic and human development in a sustainable manner	Local Economic Development	Roll out of Emerging Farmers Package	Roadshows	All	All	Manager: LED	new	Roll out Schedule; Notices & attendance Register	1	1	Carry Over	1	1	G	Roadshow held on the 15th of March 2017. Emerging Farmers from all 8 towns attended. Transport provided by the Department of Agriculture. Catering provided by Breede Gouritz Catchment Management Agency. Theewaterskloof provided venue.		The actual performance and portfolio of evidence is valid, accurate and complete			
TL72	Development Services	Creating and enabling environment favourable for economic and human development in a sustainable manner	Local Economic Development	Approval of the Tourism Implementation and Funding Model to LTOs	Approved Funding Model	All	All	Manager: LED	new	Minutes of Council Meeting	1	1	Carry Over	1	1	G	[D113] Manager: LED: Proposed funding model approved by Council (April 2017)		The actual performance and portfolio of evidence is valid, accurate and complete			
TL73	Development Services	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Implementation of Housing Pipeline	%of budget(Capital) spent in line with Provincial allocation	All	All	Manager: Housing	170%	Section 71 Report minutes	100%	100%	Carry Over	100%	152%	B	Target Extremely Well Achieved: The Total Budget amounts to R 7 212 660,after the adjustment Budget in February it accumulated to R 14,378,472 The adjustment budget that was approved on the 29 May 2017 reflects a reduced Budget amount of R 6 688 472, the capital spending for the month is R 1 198 140 to date capital spending amounts to R 10 121 032(R 7 995+596+533 318+446+259+364+101 724+64 864+354 226+3 591 066.29+ 1 198 140 +4 268 033) which results to 152% (10 121 032/6 688 472) spending for the month of May 2017		The actual performance and portfolio of evidence is valid, accurate and complete			
TL74	Development Services	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Implementation of Housing Pipeline	%of budget(Operational) spent in lin with Provincial allocation	All	All	Manager: Housing	18%	Section 71 Report minutes	100%	100%	Carry Over	100%	70%	R	Target not Achieved: The total budget amount is R 44 364 340 mil,after the Adjustment budget the amount decreased to R 39 053 561, after the adjustment budget that was approved on the 26 May 2017 the budget amount was reduced to R 35 690 000 and the operational spending for the month is R 31 543.53 to date operational amounts to R 7 880 900.24 (R 3 404.14+1 939 429.85+ 184 350.93+1 511 847.99+2 352 792.76+ 2 147 352.50- 6 66245.38+1 809 292.49- 1 433 329.53+31 543.53+460.96) which results in 22 % (7 880 900.24/ 35 690 000)spending for the month of June 2017. The Rooidakke Rainbow PHP spending of (R 17 819 075.72) is not accounted for in the section 71 if included this will increase the expenditure to R 25 699 975.96 (17 819 075.72 + 7 880 900.24) (70%)	The Rooidakke Rainbow PHP spending (R 17 819 075.72) is not accounted for in the section 71 if included this will increase the expenditure to R 25 699 975.96 (68%) . The budget of the project forms part of the total HSG allocation but the expenditure is omitted as the municipality is only the accounts administrator. Outstanding invoices amounts for June 2017 amounts to R 690 983.52 which will further increase expenditure to R 25 598 790 (70%). Contractors have now been appointed for the RSE	The actual performance and portfolio of evidence is valid, accurate and complete Much Difficulty experienced in procuring service providers from the Framework of DOHS. Delays were experineced in obtaining all of the SCM documentation from DoHS followed by Suppliers either filing for insolvency or retracting from the SCMprocess as they where unable to quote within the allocation. this ment having to repeat processes for the sake of compliance.			

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Theewaterskloof Municipality

4th Quarter Report 2016-17

Ref	Directorate	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation	Year-To-Date As At June 2017					Departmental SDBIP Comments	Departmental Corrective Measures	IA COMMENTS	MM COMMENTS
														Target	Actual	R						
TL75	Development Services	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Number of low cost houses transferred	100 transfers	All	All	Manager: Housing	50	Title deeds	100	200	Carry Over	200	162	O			Target Almost Met: 178 Transfers has been done for financial year.		The actual performance and portfolio of evidence is valid, accurate and complete	
TL76	Development Services	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Submission of application to department HS for recoupment of funds spent on services installed at Bego street: RSE	Application submitted	All	All	Manager: Housing	New	Acknowledgement of receipt from HS	1	1	Carry Over	1	1	G			Application submitted 12 December 2016.		The actual performance and portfolio of evidence is valid, accurate and complete	
TL77	Development Services	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Develop Housing Consumer Education Policy	Approved Policy	All	All	Manager: Housing	new	Council Minutes	1	1	Carry Over	1	1	G			Target Achieved: After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor UT Sipunzi, and seconded by Councillor KU Papier, it was recommended as follows: That the Housing Consumer Education Programme be approved by the council for implementation		The actual performance and portfolio of evidence is valid, accurate and complete	
TL78	Development Services	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Land Invasion SOP (Legal and Operational activities)	Approved SOP	All	All	Manager: Housing	new	Management Minutes	1	1	Carry Over	1	0	R			Target not Achieved: The Land Invasion SOP was compiled and complete. we still await the availability of relevant stakeholders for inputs	[D120] Manager: Housing: Unavailability of relevant stakeholders. (April 2017) [D120] Manager: Housing: Unavailability of relevant stakeholders t (May 2017)	No Performance	Land Invasion unit will only be functional on 1st August 2017. Delay in procurement process. SOP is in draft and needs to be workshop with the Land Invasion unit prior to approvals.

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Theewaterskloof Municipality

4th Quarter Report 2016-17

Ref	Directorate	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation	Target	Actual	R	Departmental SDBIP Comments	Year-To-Date As At June 2017	IA COMMENTS	MM COMMENTS
TL79	Development Services	Infrastructure and bulk upgrades, replacements and expansions in order to address infrastructure and bulk services backlogs, make provision for developmental strategies and improve sustainability in the process	Basic Service Delivery	Develop a Housing Stakeholder Communication Strategy	Approved Strategy	All	All	Manager: Housing	new	Council Minutes	1	1	Carry Over	1	1	G	Target Achieved: After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor UT Sipunzi, and seconded by Councillor KJ Papier, it was recommended as follows: That the Draft Housing Stakeholders Communication Strategy be approved.	Departmental Corrective Measures	The actual performance and portfolio of evidence is valid, accurate and complete	
TL80	Development Services	Good Governance and Improve the auditing status of the Municipality	Good Governance	Review of Spatial Development Framework	% as per project plan	All	All	Manager: Town Planning	1	Council Minutes	1%	100%	Carry Over	100%	100%	G	Target not Achieved: Status quo document is being finalised.	In progress. The draft status quo report is currently being circulated to the Intergovernmental Steering Committee. Status quo document is being finalised.	The actual performance and portfolio of evidence is valid, accurate and complete	
TL81	Development Services	Good Governance and Improve the auditing status of the Municipality	Good Governance	Approval of the Greyton Overlay Zone	Approved Overlay Zone	All	All	Manager: Town Planning	new	Council Minutes	1	1	Carry Over	1	0	R	Target not Achieved: Heritage Western Cape has not promulgated regulations yet for the submission and adoption of heritage overlay areas. The department is therefore not in a position to submit the document for approval to Heritage Western Cape.	[D126] Manager: Town Planning: In progress. (May 2017) [D126] Manager: Town Planning: Heritage Western Cape has not promulgated regulations yet for the submission and adoption of heritage overlay areas. The department is therefore not in a position to submit the document for approval to Heritage Western Cape. (June 2017)	No Performance	Out of the municipality's control. Heritage Western Cape needs to promulgate their regulations in order to approve the overlay zones. Document is finalised.
TL82	Development Services	Good Governance and Improve the auditing status of the Municipality	Good Governance	Adoption of Oversight report of Annual Report	Adoption of Oversight report of Annual report	All	All	Manager: IDP	1	Minutes of Council Meeting	1	1	Carry Over	1	1	G	Target Achieved: Adopted by council on the 23rd march 2017.		The actual performance and portfolio of evidence is valid, accurate and complete	
TL83	Development Services	Improved Sustainable Financial Management of the Theewaterskloof Municipality and Execute Legislative requirements	Financial Viability	Submit report on status of Development Services contracts to council	Number of reports submitted	All	All	DD: Development	3	Minutes of Council Meeting	4	3	Accumulative	3	3	G	Target not Achieved: Report submitted to council for acknowledgement on the 07th December 2016. REF173/2016 Report submitted to council for acknowledgement on the 23 February 2017. REF: C23/2017		The actual performance and portfolio of evidence is valid, accurate and complete	
TL92	Development Services	Creating and enabling environment favourable for economic and human development in a sustainable manner	Local Economic Development	Management Framework for the informal economy Development .	Approved Process Schedule	All	All	Manager: LED	New	Minutes of Management Meeting	1	0	Carry Over	1	1	G	Informal Trading Management Framework Process Scheduled was received on 19 June. Item was prepared to appear before Management 23 or 30 June however Management Meeting was postponed until 14 July. Approved at management meeting of 14 July 2017.		The actual performance and portfolio of evidence is valid, accurate and complete. Although the report was uploaded as evidence it was not reported to Management as stated in the source of evidence. The report was uploaded on Collaborator on 19 June 2017 and there has not been any Management meetings for June after that.	
TL93	Development Services	Creating and enabling environment favourable for economic and human development in a sustainable manner	Basic Service Delivery	Develop an informal settlement upgrading plan (NUSP)	Approved Plan	All	All	Manager: Housing	New	council minutes	1	0	Carry Over	1	0	R	Target Achieved: Council approved the Informal Settlements Upgrading Policy and Strategy for Theewaterskloof.		No Performance	Approved plans received for all of the informal settlements, however it has not been submitted to council for approval.

Chapter 3

g. INTERNAL AUDIT

Theewaterskloof Municipality

SDBIP 2016/2017: Top Layer SDBIP Report

Ref	Directorate	Pre-determined Objectives	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Wards	Area	KPI Owner	Baseline	Source of Evidence	Annual Target	Revised Target	KPI Calculation Type	Year-To-Date As At June 2017					
															Target	Actual	R	Performance Comment	IA COMMENTS	MM COMMENTS
TL85	Internal Audit	Work towards obtaining a clean audit	Good Governance and Improve the auditing status of the Municipality	Good Governance	Execute the Internal Audit Programme	Number of audits completed	All	All	Chief Audit Executive	38	Minutes of Audit Committee	30	30	Accumulative	30	32	G2	Target Well Achieved AUGUST: The following items were submitted to the meeting of 31 August 2016: 1. Supply Chain Management Third Quarter, 2. Solid Waste Fourth Quarter Audit, 3. Human Resources Audit, 4. 2015/2016 Compliance Assessment, 5. Audit General Report - Follow-Up, 6. Internal Audit Follow-Up Reports & 7. SDBIP Fourth Quarter 2015/2016 Audit (August 2016) November: The following audits were reported to the PAC on 25 November 2016: P&AC55/2016 - Inventory Audit; P&AC56/2016 - SCM 4th quarter review; P&AC57/2016 - Risk Management Audit; P&AC58/2016 - Vandalism - Safeguarding of Municipal Properties; P&AC59/2016 - Solid Waste 1st Quarter Audit; P&AC61/2016 - Internal Audit Follow-Up Reports & P&AC62/2016 - 2016/2017 First Quarter Performance Assessment JANUARY: 4 audits were reported at the January 2017 Audit committee meeting: P&AC02/2017 Compliance 1st Quarter; P&AC03/2017 SCM 1st Quarter; P&AC04/2017 SDBIP 1st Quarter; P&AC05/2017 mSCOA audits MARCH: five audits were reported to the Audit Committee on 3 March 2017: P&AC11/2017 Solid Waste Q2; P&AC12/2017 Illegal Building Works; P&AC13/2017 Compliance Q2; P&AC14/2017 SDBIP Q2; P&AC15/2017 IA Follow-up. (March 2017) JUNE: The following audits were reported to the PAC on 2 June 2017: SCM second quarter; maintenance on proclaimed roads; inventory audit; solid waste 3rd quarter; safety of municipal officials; SDBIP 3rd quarter; compliance 3rd quarter; Internal audit follow-up; AG follow-up	The actual performance and portfolio of evidence is valid, accurate and complete	
TL86	Internal Audit	Work towards obtaining a clean audit	Good Governance and Improve the auditing status of the Municipality	Good Governance	Audit the action plan to address AG findings annually	Number of audits completed	All	All	Chief Audit Executive	1	Minutes of the management meeting	1	1	Carry Over	2	2	G	Target Achieved OCTOBER: Reported to Management on 7 October 2016 item M232/2016 MARCH: Report was presented to Management on 17 February 2017. Item M40/2017	The actual performance and portfolio of evidence is valid, accurate and complete	

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COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

Some of the challenges experienced are:

- Provision of basic services on a sustainable basis.
- Stimulating local economic development.
- Sound management of its financial affairs.
- Strengthening continued community participation in the affairs of Local Government.
- Provision of subsidised / low cost housing.
- Development of a social strategy.
- Growing population, unemployment and poverty.
- Continued reformation in local government.
- Backlog in infrastructure

3.1 WATER PROVISION

3.1.1 INTRODUCTION TO WATER PROVISION

Theewaterskloof Municipality is the Water Service Authority for its service area. All residents in urban areas in the service area of the municipality have access to water services and free basic water is provided to all. It is however estimated that there might still be households on the farms in the rural areas with existing service levels below RDP standards. This estimate the service levels on the farms can only be verified through a detailed survey.

Ageing infrastructure remains one of the key focus areas for the municipality. In order to ensure that the water infrastructure delivers continues service provision in future; the Municipality compiled a pipe prioritization replacement programme. A further priority is to ensure that adequate services are available to enable future development. For this purpose master planning for water provision is kept up to date. Sourcing the required capital for extensions to water services infrastructure remains a challenge.

CONSERVATION AND DEMAND MANAGEMENT

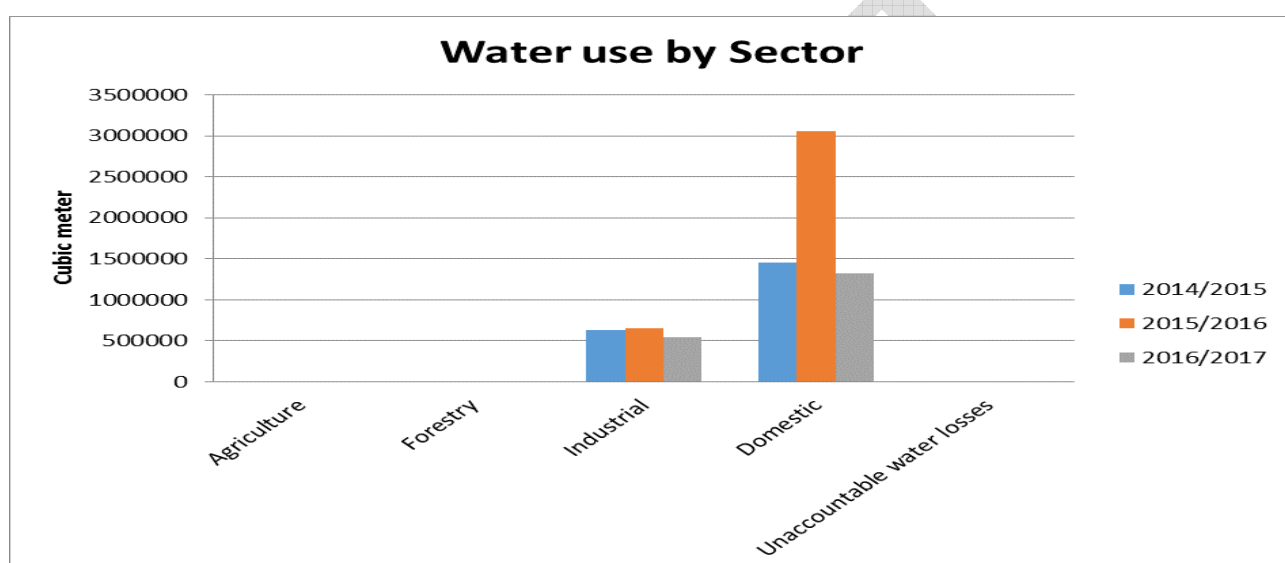
The municipality have compiled a Water Demand/Water Conservation action plan and water loss reduction plan and was adopted by Council. The purpose of the plan is to enhance the management of water services in order to achieve sustainable, efficient and 100% affordable services to all consumers.

The implementation of the plans does not only refer to measures that reduce water wastage and inefficient use, but also include measures to effectively manage and sustain efficiency targets. Some of the priority requirements are to install systems that measures and identify certain parameters such as minimum night flows and systems to enable detailed regular water audits and water balances.

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3.1.2 INTRODUCTION TO WATER PROVISION

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2014/2015	0	0	634 772	1 457 030	22.50%
2015/2016	0	0	655 166	3 056 110	25.80%
2016/2017	0	0	544 342	1 327 515	21%
					T3.1.2



3.1.3 INTRODUCTION TO WATER PROVISION

The table below indicates the different water services delivery levels per household in all formal areas for the financial years 2013/14 to 2016/17.

Water Service Delivery Levels				
Description	Households			
	Year 2013/14	Year 2014/15	Year 2015/16	Year 2016/17
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<u>Water:</u> (above min level)				
Piped water inside dwelling	18 600	21 616	25 111	29 745
Piped water inside yard (but not in dwelling)	–	–	–	–
Using public tap (within 200m from dwelling)	6514	4833	4634	1840
Other water supply (within 200m)	0	0	0	0

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Minimum Service Level and Above sub-total	25 114	26 449	29 745	31 585
Minimum Service Level and Above Percentage	99.76%	99.77%	100.00%	87%
Water: (below min level)				
Using public tap (more than 200m from dwelling)	0	0	0	0
Other water supply (more than 200m from dwelling)	0	0	0	4 907
No water supply	61	0	0	0
Below Minimum Service Level sub-total	61	61	0	4 907
Below Minimum Service Level Percentage	0.30%	0.23%	0%	13%
Total number of households*	25 175	26 510	29 745	36 492
* - To include informal settlements				T3.1.3

3.1.4 HOUSEHOLD WATER SERVICE DELIVERY LEVELS BELOW MINIMUM

Households						
Description	`2013/14	`2014/15	`2015/16	`2016/17		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements	0	0	0	0	0	0
Total households	25 175	26 449	29 745	29 745	29 745	29 745
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
Informal Settlements						
Total households	6514.00	4833.00	4740.00	6747.00	6747.00	6747.00
Households ts below minimum service level		0.00	0.00	5393.50	5393.50	5393.50
Proportion of households ts below minimum service level	0%	0%	0%	80%	80%	80%
						T3.1.4

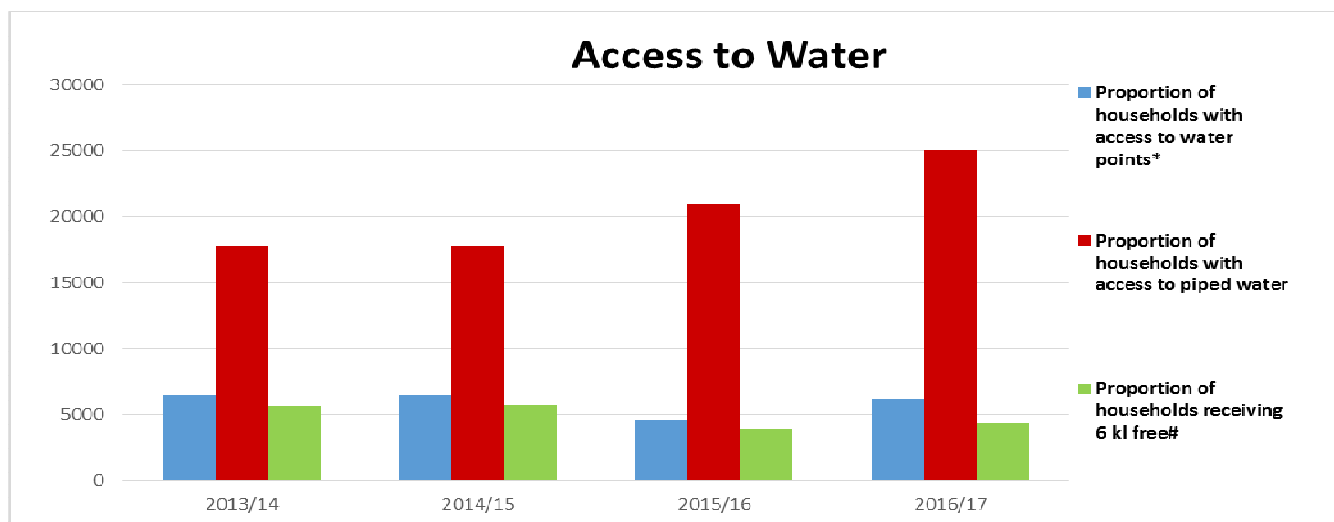
3.1.5 ACCESS TO WATER

Access to Water			
	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
2013/14	6514	17815	5642
2014/15	6514	17815	5719
2015/16	4634	21000	3972
2016/17	6212	25061	4399

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* Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute

6,000 litres of potable water supplied per formal connection per month



3.1.6 EMPLOYEES WATER SERVICES

Employees: Water Services (PURIFICATION & NETWORKS)					
Job Level	Year 2015/16	Year 2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	16	17	17	0	0%
4 - 6	7	7	6	1	14%
7 - 9	6	10	9	1	10%
10 - 12	3	3	3	0	0%
13 - 15	-	-	-	-	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	32	37	35	2	5%

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3.1.7 FINANCIAL PERFORMANCE: WATER SERVICES

Financial Performance: Water Distribution					
R'000					
Details	Year 2015/16	Year 2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(54 897)	(55 270)	(62 144)	(74 130)	19%
Expenditure:					
Employees	7,943	8,896	9,247	9,449	2%
Repairs and Maintenance	3,545	3,433	3,462	3,661	6%
Other	30,535	33,704	37,033	34,604	-7%
Total Operational Expenditure	42,023	46,032	49,742	47,714	-4%
Net Operational Expenditure	(12 873)	(9 239)	(12 402)	(26 417)	113%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i>					T3.1.8

3.1.8 CAPITAL EXPENDITURE: WATER SERVICES

Capital Expenditure Year: Water Distribution					
R' 000					
Capital Projects	2016/2017				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	8,616	11,959	9,382	-22%	
New bulk water pipe line for low-cost housing development at Water Works, G'B	439	1,392	765	-45%	
Nuwe Steenbras Reservoir, G'B	1,017	1,017	—		
Upgrade Bulk Water Storage Capacity - New Reservoir, RSE	1,735	1,735	1,622	-7%	
New bulk water connector pipe line for the low-cost housing development at New France, Botrivier	1,435	570	467	-18%	
New bulk water system for the proposed low-cost housing development at Destiny Farm, V'dorp	614	1,106	1,095	-1%	
Water source investigation, Genadendal	219	219	219	0%	
New bulk water pipe line for low-cost housing development at Erf 289, RSE	1,439	1,439	1,439	0%	
Water source development, Tesselaarsdal	219	162	162	0%	
Repair and Replace Water pre-paid meters	1,500	4,319	3 614	-16%	
Basic Services	—	—	—		
<i>Total project value represents the estimated cost of the project on approval by council (including past</i>					T3.1.9

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3.1.9 COMMENT ON WATER SERVICE PERFORMANCE OVERALL

All residents on formal erven in the urban areas of Theewaterskloof Municipality's Management Area have access to water services and free basic water is provided to all indigent households. Households in informal areas are provided with communal services as an intermediary measure.

Theewaterskloof Municipality's Maintenance Team mainly performs their own repair and preventative maintenance work to the equipment and infrastructure of the Municipality, except when specialized repair work is required, in which case the work is sub-contracted to approved sub-contractors on the municipal database.

Ageing infrastructure remains one of the key focus areas for the municipality. The Municipality recently compiled a pipeline prioritization replacement programme in order to ensure that the existing water infrastructure remains functional for water provision in the future. A further priority is to ensure that adequate bulk water and sewerage infrastructure is in place to enable future development. Water and Sewer Master Plans are in place in order to assist with the prioritisation of projects. Sourcing the required capital for extensions to the water and sewerage services infrastructure remains a challenge.

Theewaterskloof Municipality compiled a detail WC/WDM Strategy and action plan to reduce water losses, which was adopted by Council. The purpose of the Strategy is to enhance the management of water services in order to achieve sustainable, efficient and 100% affordable services to all consumers.

Theewaterskloof Municipality committed itself to a 10% saving on the historical demand growth of 4% per annum in the WC/WDM Strategy. It was estimated from the demand analysis and from discussions with various key role players that the implementation of the WC/WDM Strategy can achieve the following savings:

- Reduction of water wastage to 15%.
- Reduction of inefficient water usage to 15%.
- A further reduction of approximately 5% due to effluent treatment recycling and other alternative water resources.

3.2 WASTE WATER (SANITATION) PROVISION

3.2.1 INTRODUCTION TO SANITATION PROVISION

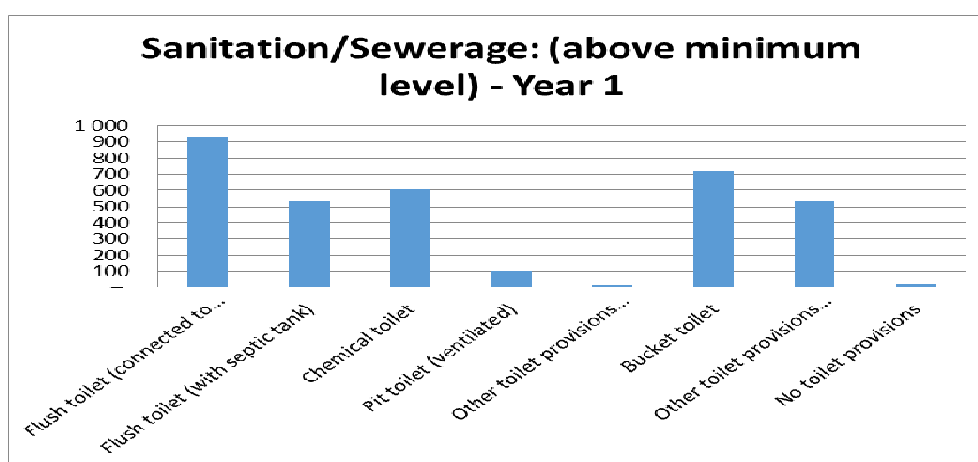
Sewer is conveyed to the treatment facilities either by a water borne collector system or vacuum tanker service. Sewer services are available throughout the whole service area of the Theewaterskloof Municipality and free basic sewer services are provided to registered indigent households. Ensuring that sufficient treatment capacity is available for present and future demand is a key focus area for the municipality. The municipality is also thriving to comply as best to the Green drop standards as set out by the Department of Water and Sanitation. Upgrading of waste water treatment facilities is multiyear projects.

All the formal households in the urban areas are provided with sanitation facilities inside the house (higher level of service). A communal ablution facility is provided in the informal areas as a temporary emergency service and is above minimum standards.

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3.2.2 SANITATION SERVICE DELIVERY LEVELS

Sanitation Service Delivery Levels				
Description	*Households			
	Year 2013/14 Outcome	Year 2014/15 Outcome	Year 2015/16 Outcome	Year 2016/17 Actual
	No.	No.	No.	No.
Sanitation/sewerage: (above minimum level)				
Flush toilet (connected to sewerage)	11 694	21 616	22 820	29 745
Flush toilet (with septic tank)	5 707	4 833	1 304	867
Chemical toilet				
Pit toilet (ventilated)				
Other toilet provisions (above min.service level)				
Minimum Service Level and Above sub-total	17 401	26 449	24 124	30 612
Minimum Service Level and Above Percentage	71.3%	100.0%	87.93%	83.9%
Sanitation/sewerage: (below minimum level)				
Bucket toilet				
Other toilet provisions (below min.service level)	6 514	0	4 634	5 880
No toilet provisions	475	0	0	
Below Minimum Service Level sub-total	6 989	0	3 310	5 880
Below Minimum Service Level Percentage	28.7%	0.0%	12.1%	16.1%
Total households	24 390	26 449	27 434	36 492
*Total number of households including informal settlements				T3.2.3

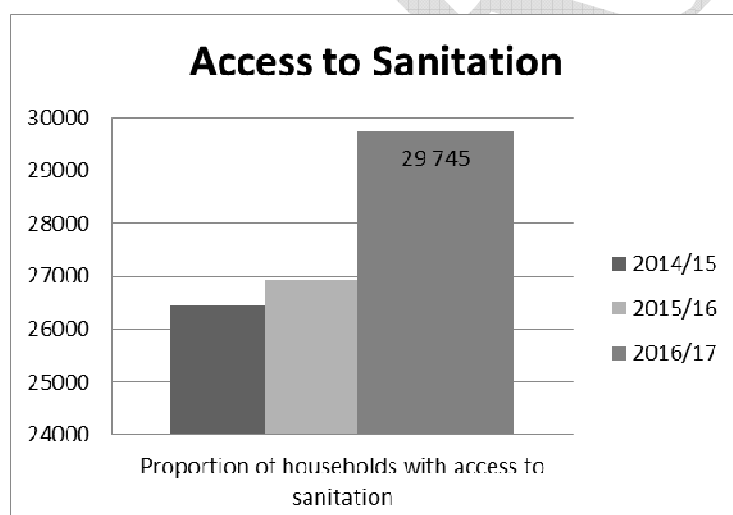


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3.2.3 HOUSEHOLD: SANITATION SERVICE DELIVERY LEVELS BELOW MINIMUM

Households - Sanitation Service Delivery Levels below the minimum						
Description	Households					
	2013/14	2014/15	2015/16	2016/17		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements	-	-	-	-	-	-
Total households	24 390	21 616	21 000	29 745	29 745	29 745
Households below minimum service level	6 989	0	3 310	0	0	0
Proportion of households below minimum service level	28.70%	0%	12%	0%	0%	0%
Informal Settlements	-	-	-	-	-	-
Total households	6 514	4 833	4 634	6 747	6 747	6 747
Households below minimum service level	0	0	0	5 394	5 394	5 394
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
						T3.2.4

3.2.4 ACCESS TO SANITATION



Access to Sanitation	
	Proportion of households with access to sanitation
2014/15	26 449
2015/16	26 938
2016/17	29 745

Chapter 3

3.2.5 EMPLOYEES: SANITATION

Employees: Sanitation Services (SEWERAGE WORKS)					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	22	32	32	0	0%
4 - 6	6	11	10	1	9%
7 - 9	3	10	8	1	10%
10 - 12	2	6	5	1	17%
13 - 15	1	1	1	0	0%
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	34	60	56	3	5%

3.2.6 FINANCIAL PERFORMANCE: SANITATION SERVICES

Financial Performance : Waste Water Management					
R'000					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(30 505)	(30 066)	(30 066)	(31 877)	6%
Expenditure:					
Employees	7,915	9,013	8,704	8,992	3%
Repairs and Maintenance	4,038	4,395	4,900	4,438	-9%
Other	16,562	14,944	17,608	17,697	1%
Total Operational Expenditure	28,515	28,352	31,212	31,127	0%
Net Operational Expenditure	(1 990)	(1 713)	1146	(749)	-165%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.					T3.2.8

Chapter 3

3.2.7 CAPITAL EXPENDITURE: SANITATION SERVICES

Capital Expenditure: Waste Water Management					
Capital Projects	Year 2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	21,130	23,719	21,236	-10%	
New Bulk sewer system for low-cost housing development at Erf 289, RSE	1,326	1,326	1,326	0%	
Upgrade of waste water treatment works (housing), Caledon	—	144	129	-10%	
Replacement of existing bulk sewer pipe line between Caledon/Myddleton and the Waste Water Treatment Works	11,468	14,035	14,035	0%	
New bulk sewer pipe line for low-cost housing development at Water Works,G'B	702	813	457	-44%	
Water Waste Treatment Plant,G'B	1,000	781	732	-6%	
Upgrade Waste Water Treatment Works,V'D	1,450	2,100	191	-91%	
New bulk sewer system for the proposed low-cost development at Destiny Farm,V'D	5,184	4,520	4,366	-3%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.2.9

3.2.8 SANITATION SERVICES PERFORMANCE OVERALL

The completed upgrading of Grabouw and Villiersdorp waste treatment plants, this were once blockages in the development of these towns. Caledon waste water treatment plant Upgrade is currently a priority as the plant have reached capacity. This can cause blockage in the development of this town. The upgrading to the main outfall sewer in Caledon first phase is completed and in Villiersdorp phase 2 completed, these are also priority to prevent any blockages of the development of the towns due to capacity constraints.

These projects are multiyear projects and are budgeted for.

The provision of bulk sewer for the RSE development has also been completed.

The bulk sewer provision at the Grabouw low cost housing development at Beverly Hills was not completed and MIG funds allocated to this project will be rolled over in order to complete the project in 2017/18.

Chapter 3

3.3 ELECTRICITY

- The Electrical Department is committed to supply existing and new customers with electrical energy of acceptable quality in a safe and sustainable way.
- High mast lighting were installed at Grabouw, Riemvasmaak and Destiny.
- Network upgrades done:
- Riviersonderend, De La Vigne Street, replace overhead lines with underground cable.
- Villiersdorp, replace switchgear at MS Industrial.
- Electrification Santa/Riemvasmaak, including the total upgrade of Caledon Aandblom Substation
- Caledon, replace minisub in Basil Newmark Street and upgrade and replacement of 11kV ringfeed cable in CBD, Victoria Street.

For year 2017/18

- Upgrade planned for switching equipment for Cemetery, Switching Station, Caledon
- Replace Switching Station at Viljoen Engineering in Villiersdorp.
- Network upgrade of ringfeed cable Van Schalkwyk Street, phase 1 replace overhead line with underground cable in De La Vigne Street, phase 2.
- 451 Informal houses to be electrified in Villiersdorp.
- Maintenance remains priority.
- Eskom is delivering electrical services in Grabouw, Botrivier, Genadendal and Tesselaarsdal.

Chapter 3

3.3.1 ELECTRICITY SERVICE DELIVERY LEVELS

Electricity Service Delivery Levels				
Description	Households			
	Year 2013/14	Year 2014/15	0-Jan-00	Year 2016/17
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Energy: (above minimum level)				
Electricity (at least min.service level)	1 174	188	188	66
Electricity - prepaid (min.service level)	4 864	7 122	6 383	6 620
<i>Minimum Service Level and Above sub-total</i>	6 038	7 310	6 571	6 686
<i>Minimum Service Level and Above Percentage</i>	100.0%	87.09%	85.84%	90.5%
Energy: (below minimum level)				
Electricity (< min.service level)				
Electricity - prepaid (< min. service level)				
Other energy sources		1084	1084	700
<i>Below Minimum Service Level sub-total</i>	0	1084	1084	700
<i>Below Minimum Service Level Percentage</i>	0.0%	12.9%	14.2%	9.5%
Total number of households	6 038	8 394	7 655	7 386
				T3.3.3

3.3.2 EMPLOYEES ELECTRICITY SERVICES

Employees: Electricity Services					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	8	8	8	0	0%
4 - 6	1	2	2	0	0%
7 - 9	1	3	3	0	0%
10 - 12	6	6	6	0	0%
13 - 15	1	1	1	0	0%
16 - 18	1	1	1	0	0%
19 - 20	-	-	-	-	-
Total	18	21	21	0	0%

Chapter 3

3.3.3 FINANCIAL PERFORMANCE: ELECTRICITY SERVICES

Financial Performance : Electricity Distribution					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(82,783)	(86,265)	(88,565)	(85,212)	-4%
Expenditure:					
Employees	5,283	5,498	5,856	5,731	-2%
Repairs and Maintenance	1,541	1,758	1,388	1,263	-9%
Other	57,183	62,085	62,760	62,085	-1%
Total Operational Expenditure	64,006	69,341	70,004	69,079	-1%
Net Operational Expenditure	(18,777)	(16,924)	(18,560)	(16,133)	-13%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.					T3.3.7

3.3.4 CAPITAL EXPENDITURE: ELECTRICITY SERVICES

Capital Expenditure Year 2016/17: Electricity Services					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	11,564	11,780	11,371	-3%	
High mast lighting, G'B	877	877	877	0%	
High mast lighting for Destiny Farm, V'D	175	175	175	0%	
High mast lighting for Riemvasmaak, Caledon	351	351	351	0%	
Replace and upgrade network, De La Vigne, RSE	460	660	643	-3%	
Electrification of Santa	6,500	6,500	6 318	-3%	
Installation of electrification services, Riemvasmaak, Caledon	—	217	217	0%	
Replace Switchgear in MS industrial, V'D	850	650	508	-22%	
Replace miniasture substation in Basil Newmarkstreet, Caledon	500	500	500	0%	
Upgrade and replacement of 11kV ringfeed in central business area (VictoriaStreet), Caledon	1,850	1,850	1 782	-4%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.3.8

All capital projects was completed within the timeframe and budget limits. The only considerable variance on budget vs actual expenditure was on the project "replace switch gear in MS industrial, V'D. The project was advertised for competitive bidding and the price received from the preferred bidder was considerably less than what was anticipated.

Chapter 3

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTION, WASTE DISPOSAL, CLEANING AND RECYCLING)

3.4.1 INTRODUCTION TO WASTE MANAGEMENT

Theewaterskloof Municipality is committed to a system of waste management that will see the least possible amount of waste going to modern engineered landfills. This will be achieved through the use of education, law enforcement and material recovery and treatment plants. New and emerging technologies, where applicable and affordable, will also play a part in overall waste management.

The analysis of the current waste management system has shown the following:

- all formal residential erven are receiving a weekly door-to-door waste collection service
- all collected municipal waste in the Riviersonderend service area is disposed at the municipality's waste disposal site in Riviersonderend.
- all collected municipal waste in the Genadendal and Greyton service areas are disposed at the municipality's Genadendal and Greyton waste disposal sites
- all collected waste in Caledon, Tesselaarsdal and Botrivier are disposed at the municipality's licensed Caledon landfill
- all collected waste in Grabouw, Villiersdorp as well as the waste from the Public Drop-off in Botrivier are disposed at the Regional licensed Karwyderskraal landfill
- waste recovery is not currently done
- waste avoidance is not currently addressed
- Caledon, RSE, Greyton, Genadendal landfill sites, Villiersdorp and Grabouw Transfer Stations are currently externally audited for permit compliance
- the Villiersdorp landfill has been closed, but not yet rehabilitated
- new by-laws on waste management in progress

Greyton, Genadendal, Riviersonderend and Botriver landfills received closure license. Refuse collection from all households is sufficient except for farms.

External Service provider is used to collect waste from Grabouw, Villiersdorp, Botrivier and Tesselaarsdal and delivered to Karwyderskraal & Caledon Landfill. All other dumping of waste is done internally.

Top priorities for Waste Management is the rehabilitation of landfill sites at Riviersonderend, Caledon, Botriver, Villiersdorp, Greyton and Genadendal, and the establishment of Waste facilities at Caledon, Riviersonderend, Greyton and Genadendal. Waste avoidance through education and public awareness is also listed as a top priority. Internal and external audits are done at Caledon, RSE, Greyton & Genadendal landfill sites, Grabouw transfer station and Villiersdorp Transfer station.

Chapter 3

3.4.2 SOLID WASTE SERVICE DELIVERY LEVELS

Solid Waste Service Delivery Levels

Description	Households			
	2013/14	2014/15	2015/16	2016/17
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<u>Solid Waste Removal: (Minimum level)</u>				
Removed at least once a week	24 298	26 449	26 938	36 492
<i>Minimum Service Level and Above sub-total</i>	24 298	26 449	26 938	36 492
<i>Minimum Service Level and Above percentage</i>	100.0%	100.0%	100.0%	100.0%
<u>Solid Waste Removal: (Below minimum level)</u>				
Removed less frequently than once a week	0.82	0.82	0.82	
Using communal refuse dump	1.37	1.37	1.37	
Using own refuse dump	6.82	6.82	6.82	
Other rubbish disposal				
No rubbish disposal	0.38	0.38	0.38	
<i>Below Minimum Service Level sub-total</i>	9.39	9.39	9.39	0.00
<i>Below Minimum Service Level percentage</i>	0.0%	0.0%	0.0%	0.0%
Total number of households	24 307	26 458	26 947	36 492
				T3.4.2

3.4.3 HOUSEHOLDS: SOLID WASTE SERVICE DELIVERY LEVELS BELOW MINIMUM

Households - Solid Waste Service Delivery Levels below the minimum

Description	Households					
	2013/14	2014/15	2015/16	2016/17		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	21 324	21 616	26 938	29 745	29 745	29 745
Households below minimum service level	–	–	–			
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
Informal Settlements						

Chapter 3

Total households	21 324	21 616	26 938	6 747	6 747	6 747
Households ts below minimum service level						
Proportion of households ts below minimum service level	0%	0%	0%	0%	0%	0%
						T3.4.3

3.4.4 EMPLOYEES SOLID WASTE MANAGEMENT (STREET CLEANSING)

Employees: Solid Waste Management Services					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	65	71	68	3	4%
4 - 6	11	11	11	0	0%
7 - 9	16	16	16	0	0%
10 - 12	1	4	4	0	0%
13 - 15	-	-	-	-	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	93	102	99	3	3%

3.4.5 FINANCIAL PERFORMANCE: WASTE MANAGEMENT SERVICES

Financial Performance : Solid Waste Management Services					
R'000					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(31,226)	(33,681)	(33,499)	(34,496)	3%
Expenditure:					
Employees	11,741	12,101	12,298	12,348	0%
Repairs and Maintenance	1,694	1,867	2,037	1,836	-10%
Other	30,615	16,131	33,024	30,011	-9%
Total Operational Expenditure	44,050	30,099	47,360	44,195	-7%
Net Operational Expenditure	12,825	(3,582)	13,861	9,698	-30%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.					T3.4.7

Chapter 3

3.4.6 CAPITAL EXPENDITURE: WASTE MANAGEMENT SERVICES

Capital Expenditure : Waste Management Services					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	3,386	3,386	2 899	-14%	
Upgrade Waste Transfer Station,G'B	2,281	2,281	1 870	-18%	
New Waste Transfer Station, Caledon	1,105	1,105	1 030	-7%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.4.9

3.4.7 COMMENT ON WASTE MANAGEMENT SERVICES PERFORMANCE OVERALL

The extension of the Grabouw Waste Transfer Station was completed. The Basic Assessment for the Caledon Waste Transfer Facility was conducted and also application for funding for RSE waste transfer facility was submitted.

3.5 HOUSING

3.5.1 INTRODUCTION TO HOUSING

The Housing Department is responsible for developing Sustainable Integrated Human Settlements in the Theewaterskloof Municipal Area. Due to limited funding sources and the growing demand for housing opportunities the department is focusing on the incremental upgrading of informal settlement through the provision of basic services. In order to address the huge backlog council has started shifting its focus from providing housing to investigating the possibility of providing service plots.

3.5.2 SUMMARY OF HOUSES BUILT

The table below indicates the summary of houses built and also reveals the losing battle faced by the municipality in providing housing as the waiting list continues to increase.

Year end	Number of Housing Units on Waiting list	Number of Houses built	Number of serviced sites
2013/14	13741	385	583
2014/15	12912	400	251
2015/16	10727	473	134
2016/17	10006	231	32

The rapid increase in the demand and the continuous growth of informal settlements indicates the amount of houses delivered annually cannot address the growth in the housing demand.

Chapter 3

3.5.3 EMPLOYEES: HOUSING SERVICES

Employees: Housing Services					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	-	-	-	-
4 - 6	-	-	-	-	-
7 - 9	3	5	5	0	0%
10 - 12	9	9	7	2	22%
13 - 15	-	-	-	-	-
16 - 18	1	1	0	1	100%
19 - 20	-	-	-	-	-
Total	13	15	12	3	20%

3.5.4 HOUSING SERVICES

Housing Service Policy Objectives Taken From IDP									
PROJECTS	Outline Service Targets	Year 13/14		Year 14/15		Year 15/16		Year 16/17	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Riviersonderend	754								
Genadendal/Greyton/Berea Voorstekraal	858								
Caledon	1222	89	89	99	98	32			
Villiersdorp	2540	251	2255	26		26	13	13	13
Botrivier	579	45	42	184	184				
Grabouw	3959	123	123	246	118	128	104	286	218
Tesselaarsdal	94								

3.5.5 FINANCIAL PERFORMANCE: HOUSING SERVICES

Financial Performance: Housing Services					
R'000					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(50,823)	(51,577)	(35,690)	(7,881)	-78%
Expenditure:					
Employees	3,921	4,292	4,640	4,529	-2%
Repairs and Maintenance	3	8	17	11	-37%
Other	44,634	45,888	36,206	8,241	-77%
Total Operational Expenditure	48,557	50,188	40,862	12,781	-69%
Net Operational Expenditure	(2,266)	(1,389)	5,172	4,901	-5%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.					T3.5.5

Chapter 3

3.5.6 CAPITAL EXPENDITURE: HOUSING SERVICES

Capital Expenditure : Housing Services					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	7,213	6,688	11,395	70%	
Low Cost Housing	7,213	6,688	11,395	70%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T3.5.6

3.5.7 COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICES OVERALL

The Housing Department is responsible for developing Sustainable Integrated Human Settlements in the Theewaterskloof Municipal Area. Due to limited funding sources and the growing demand for housing opportunities the department is focusing on the incremental upgrading of informal settlement through the provision of basic services.

Capital Projects

Capital projects refer to the planning and installation of civil engineering services for a housing development. Various capital projects were implemented during the 2016/17 financial year with the upgrading of Joe Slovo informal settlement in Riviersonderend being allocated the highest funding. This project will yield 138 sites to be services and 138 houses to be built.

Future Capital Projects

Grabouw Rooidakke 1169

This project forms part of the municipality's informal settlements upgrading plan and to date 693 sites have been services and a further 476 sites to be services within the 2 next financial years. An amount of R 9 750 000 has been allocated for the 2017/18 financial year to services 281 sites.

Grabouw Rooidakke Extension

This project is earmarked to significantly reduce the housing demand backlog for the entire Grabouw area. Planning funding for the project was allowed of in the 2017/18 financial year in the amount of R 3 131 000. It is estimated that this project will yield 7000 opportunities

Villiersdorp- Destiny Farm

This project is earmarked to significantly reduce the housing demand backlog for the entire Villiersdorp area. Planning funding for the project was allowed of in the 2017/18 financial year in the amount of R 2 000 000. It is estimated that this project will yield 2000 opportunities

Chapter 3

Caledon - Riemvasmaak

This project is earmarked to significantly reduce the housing demand backlog for the entire Caledon area. Planning funding for the project was allowed of in the 2017/18 financial year in the amount of R 4 000 000. It is estimated that this project will yield 710 opportunities

Challenges

Challenge	Possible Risk
<ul style="list-style-type: none">Seasonal Influx of people	<ul style="list-style-type: none">Rapid urbanisationHousing delivery not meeting housing demandMushrooming of informal settlements
<ul style="list-style-type: none">Insufficient municipal land for housing development	<ul style="list-style-type: none">Slow development due to suitable land owned by other organs of state
<ul style="list-style-type: none">Insufficient funds for housing development	<ul style="list-style-type: none">Illegal occupation and Land invasion
<ul style="list-style-type: none">Security of tenure	<ul style="list-style-type: none">Inability of municipality to maintain properties while waiting for transfer of land

Chapter 3

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

3.6.1 INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The following table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the municipality the following qualifying criteria apply: a household where the combined or joint gross income of all

occupants/residents/dependents, over the age of 18 years or who have potential earning capacity, is less than twice the monthly pension grant and can no longer afford to pay for the services provided by the council (subject to verification by Ward Councillor in consultation with the

Ward Committee). The "Spouse support/Care Grant" or "Child support Grant" should not be added to the Indigent Qualifying income threshold.

The municipality provides the following Free Basic Services to indigent households:

Water: 6kl (all households)

Electricity: 70kwh

Weekly refuse Removal

Free Sanitation

The table below indicates the number of households that have access to free basic services:

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R 3 200 per month (Registered Indigents)								
		Total	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
			Access	%	Access	%	Access	%	Access	%
2014/15	28,884	3599	1231	34%	3478	97%	1774	49%	3578	99%
2015/16	28,884	4225	3972	94%	4151	98%	1842	44%	4215	100%
2016/17	33 097	4399	4334	99%	4316	98%	1979	45%	4366	99%
T 3.6.3										

Please note that TWK Municipality does not provide Electricity in all 8 towns - Eskom provide in Grabouw, Genadendal, Botriver and Tesselaarsdal.

Chapter 3

3.6.2 FINANCIAL PERFORMANCE: FREE BASIC SERVICES DELIVERED

Financial Performance: Cost to Municipality of Free Basic Services Delivered					
					R '000
Services Delivered	2015/16	2016/17			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	1,769	6,050	2,400	2,604	9%
Waste Water (Sanitation)	5,320	5,494	5,494	6,096	11%
Electricity	3,499	4,656	4,500	4,734	5%
Waste Management (Solid Waste)	5,975	6,287	6,287	6,947	11%
Total	16,564	22,486	18,681	20,381	9%
					T3.6.4

3.6.3 COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT

In line with the objective of creating a vibrant and growing Municipality, the indigent policy is also aligned to the principles of Batho-Pele. Batho-Pele is also about ensuring that the resources available are used to the best possible extent, eliminating wasteful and expensive procedures and reducing unnecessary expenditure on inefficient processes and systems.

The extent of the monthly support will be determined by the council's budgetary provisions and/or the amount received from central government. The relevant services include:

- water
- refuse collection
- electricity
- sewerage

The first R100 000 of the value of an indigent house is exempt from property rates

The council will assess the level of support annually during the annual budget compilation and the level of indigent support shall not exceed the monthly billings to the account.

Water leakages at indigent households premises will be fixed by Council at no cost provided that leaks are reported (completing of a leaks register at the local town office)

Sewerage blockages may be effected free of charge for indigent households.

Pre-paid electricity and water flow limited meters were installed for indigent households at no cost to the consumer.

The free basic services were funded from the "equitable share" grant received from National Treasury plus an amount from the municipality's own income as budgeted for in the financial year under review.

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2015/2016 Indigent Cost

Indigent Costs			
Services	Tariff	Equitable share allocation	Total Cost per Indigent
Sewerage	111.84	80.41	31.43
Water	107.13	99.75	7.38
Electricity (70 units free)	97.12	66.19	30.93
Refuse	123.86	67.41	56.45
Total Cost	439.948	313.76	126.19

2016/2017 Indigent Cost

Indigent Costs			
Services	Tariff	Equitable share allocation	Total Cost per Indigent
Sewerage	118.60	85.24	33.36
Water Basic Fee	115.46	107.31	8.15
Electricity (70 units free)	109.42	70.97	38.45
Refuse	133.68	71.45	62.23
Total Cost	477.16	334.97	142.19

The table above clearly indicates that the cost to deliver free basic service exceeds the funding received from National Treasury. The municipality is subsidizing indigent household with R142.19 per household. This demonstrates and confirm our view that the equitable share formula must be reviewed. The municipal expenditure on free basic service grew by approximately R3.8m from 2015/16 to 2016/17.

Chapter 3

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (stormwater drainage).

3.7 ROADS

3.7.1 INTRODUCTION TO ROADS

The municipality have the mandate from Government to perform all relevant services regarding roads and storm water in those areas included within its jurisdiction. Roads outside the town areas are still the responsibility of the Overberg District Municipality.

The municipality have updated its Pavement Management System (PMS) and the system is used as a network level tool.

Due to ageing of current infrastructure the focus has shifted from only upgrading of roads from gravel to paved, and now also includes rehabilitation, resealing and maintenance projects funded out of capital funding.

Roads are being upgraded on a contract basis. A five year maintenance programme with priorities and budgets is available in the PMS as well as Integrated Transport Plan. There is little provision for pedestrian and bicycle travel in the municipal area apart from conventional sidewalks in the central business districts. There are no facilities on rural roads for non-motorized transport.

3.7.2 GRAVEL ROAD INFRASTRUCTURE

Gravel Road Infrastructure				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Kilometres Gravel roads graded/maintained
Year 2014/15	98.80	0	0.80	98.0
Year 2015/16	98.80	0.00	0	98.0
Year 2016/17	98.80	0.00	1.50	100.3
				T3.7.2

3.7.3 TARRED ROAD INFRASTRUCTURE

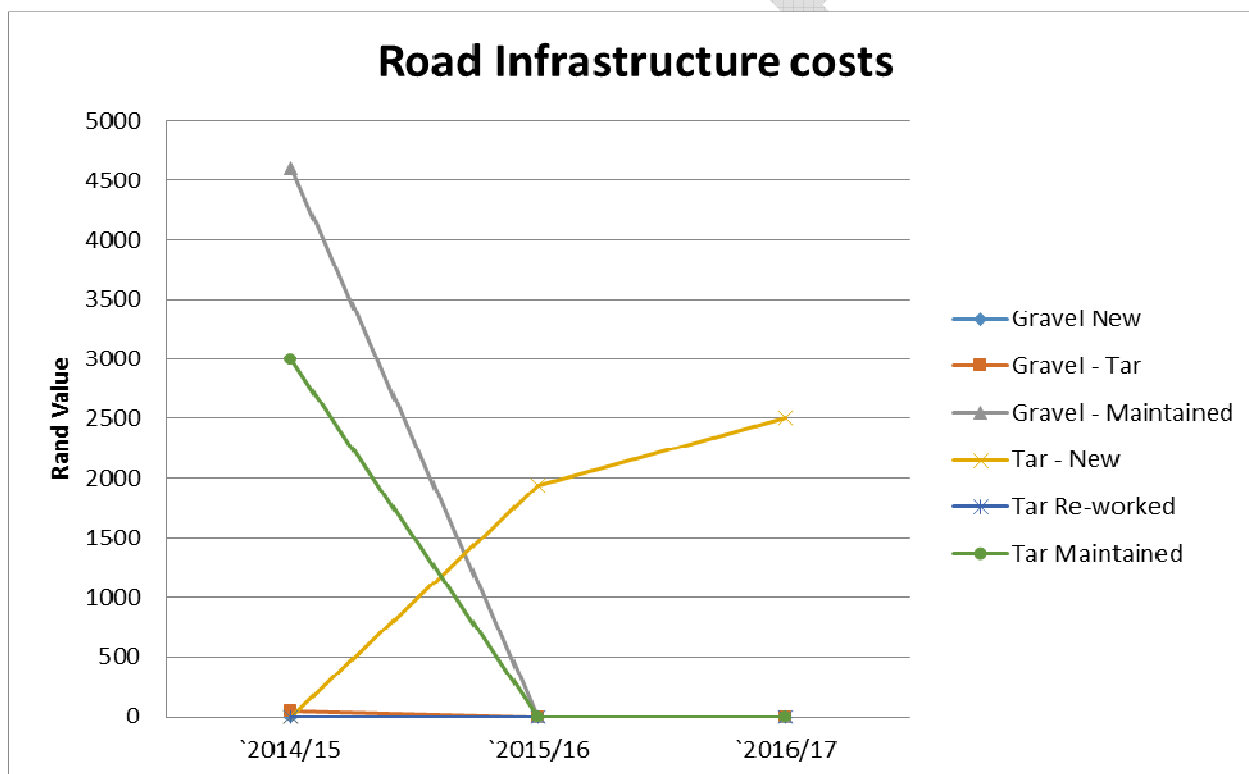
Tarred Road Infrastructure					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Kilometres Tar roads maintained
2014/15	161	0	161	2	80
2015/16	161	3	0	0	operations
2016/17	163	1.5	0	0	operations
					T3.7.3

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3.7.4 COST OF CONSTRUCTION/MAINTENANCE

Cost of Construction/Maintenance						
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
`2014/15	0	50	4600	0	0	3000
`2015/16	0	0	operations	1941	0	Operations
`2016/17	0	0	operations	2500	0	Operations
						T3.7.4

3.7.5 ROAD INFRASTRUCTURE COSTS



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3.7.6 FINANCIAL PERFORMANCE: ROAD SERVICES

Financial Performance : Road Services					
R'000					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(6 581)	(5 003)	(8 903)	(5 898)	-34%
Expenditure:					
Employees	14,814	17,766	15,097	14,878	-1%
Repairs and Maintenance	6,577	9,958	9,103	7,310	-20%
Other	7,386	5,566	6,873	8,166	19%
Total Operational Expenditure	28,777	33,290	31,073	30,353	-2%
Net Operational Expenditure	22,195	28,287	22,170	24,455	10%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget					T3.7.8

3.7.7 CAPITAL EXPENDITURE: ROAD SERVICES

Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1,526	5,174	696	-87%	
Upgrade of storm water systems in the TWK municipal area	1,526	195	195		
Tesselaarsdal Stormwater	—	356	348	-2%	
Grabouw pick up and drop off zone	—	4,623	153	-97%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.7.9

3.7.8 COMMENT ON THE PERFORMANCE OF ROADS OVERALL

With the limited funds available it is important that these funds be spent at the right place at the right time to ensure optimum use of funds. The use of PMS is generally accepted as essential for determining the maintenance and upgrading needs/programmes for pavements in a network of roads.

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These programmes provide a good assessment of the total funds required to meet the maintenance needs of the network and, in most cases, of the type of maintenance required. The total length of the paved network is 171.9km (166km tar, 5.7km block paving and 0.2km concrete pavements) with an estimated replacement value of R582.7 million. The average condition of the network can be rated as poor, with 29% of the surfacing and 24% of the structure in the poor to very poor category. Roads that have been upgraded from gravel to paved roads in the 2016/17 financial year are the Botrivier Housing Development Phase 2 (6500m²). The estimated Funding Backlog on the bituminous pavements at this stage is R 120 million.

3.8 TRANSPORT (INCLUDING VEHICLE LICENCING & PUBLIC BUS OPERATION)

Theewaterskloof Municipality has no subsidized public transport services hence; this transport is provided by privately owned/operated minibus taxis. A number of school contracts are in operation in the jurisdiction.

With respect to non-motorized transport, there is generally little provision for pedestrian and bicycle travel in the municipal area other than the conventional sidewalks in the central business districts. These sidewalks are however in a poor condition due to limited resources. There are no facilities on rural roads for non-motorized transport.

Various sidewalks were constructed and upgraded in the various towns. This project was initiated through the Integrated Transport Plan as part of bettering our Public Transportation system.

3.9 WASTE WATER (STORMWATER DRAINAGE)

3.9.1 INTRODUCTION TO STORMWATER DRAINAGE

Storm water maintenance is done by operations department. Maintenance on storm water is done in warmer months to prevent damage during the rainy season. Storm water networks were upgraded as part of the Roads Upgrading Programme.

Storm water network comprises of a piped system and open drainage channels. The drainage system is in a fair condition with some instances of poor conditions. There are still some areas where there are no formal drainage networks and this causes flooding during winter.

In general, the remedial measures for the existing storm water drainage system have been based on conventional storm water management practices viz.

Conveyances:

Generally underground concrete pipes or rectangular culverts; or open channels where these are the primary existing conveyance system for the town. Where high peak flows or where channels are the primary existing conveyance system for the town, lined trapezoidal channels were selected with suitable linings dependent on flow velocities.

Flood lines were determined for each town / village located in close proximity to a river or stream with a catchment area exceeding 1km². The flood line studies were completed for the following reasons:

- i. To comply with the legal requirements of:
 - Section 144 of the National Water Act, Act No. 36 of 1998.
 - The Land-use Planning Ordinance of the Western Cape.
- ii. To establish if any parts of the existing towns / villages or any future developments are exposed to a flood risk.

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- iii. To determine if any storm water drainage system discharges are below flood levels that may impact on that systems discharge capacity.
- iv. Ascertain if detailed flood line studies need to be undertaken for any of the towns / villages.

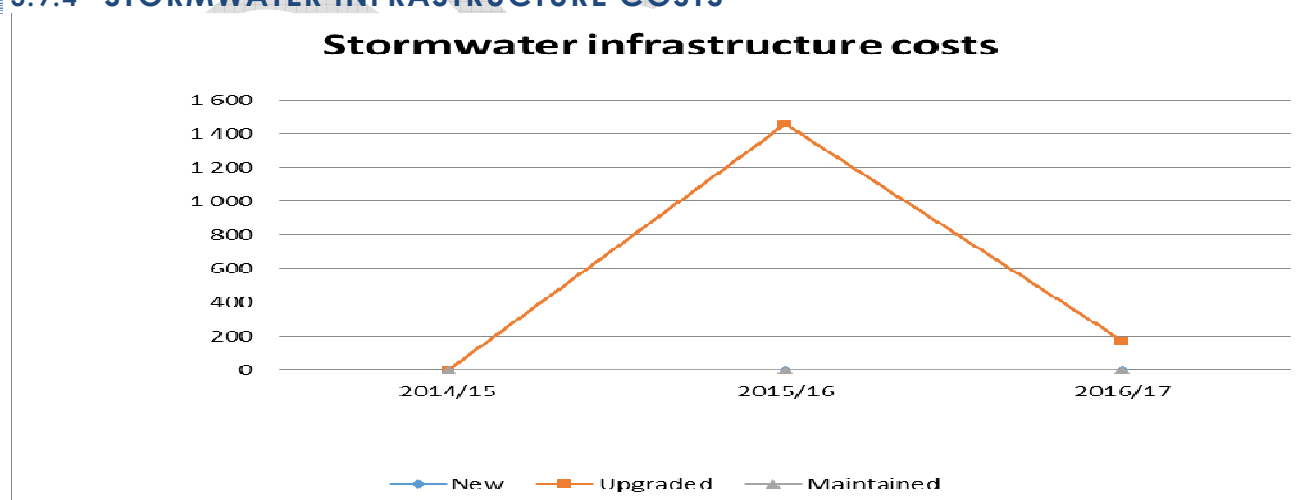
3.9.2 STORMWATER INFRASTRUCTURE

Stormwater Infrastructure				Kilometres
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2014/15	260	0.0	300.0	0
2015/16	261	1.0	0.0	0
2016/17	261	0.23	0	261.23
				T3.9.2

3.9.3 COST OF CONSTRUCTION/MAINTENANCE

Cost of Construction/Maintenance				R' 000
	Stormwater Measures			
	New	Upgraded	Maintained	
2014/15	0	0	0	
2015/16	0	1 460	0	
2016/17	0	174	0	
				T3.9.3

3.9.4 STORMWATER INFRASTRUCTURE COSTS



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3.9.5 EMPLOYEES: STORMWATER SERVICES

Employees: Stormwater Services (STREETS AND STORM WATER - COMBINED)					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	58	58	57	1	2%
4 - 6	15	15	15	0	0%
7 - 9	12	12	12	0	0%
10 - 12	8	8	8	0	0%
13 - 15	1	1	1	0	0%
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	94	94	93	1	1%

COMPONENT C: PLANNING AND DEVELOPMENT

3.10 INTRODUCTION TO PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

While the Municipality remains committed to strengthening its economy limited infrastructure capacity, limited land holdings and a lack of finances mean that the state's ability to drive economic growth are limited. As such the key focus for economic growth needs to be partnerships with the private sector and investors.

The municipality has performed well in terms of the LED maturity assessments and existing investors all speak highly of the municipal staff. Yet red tape remains a key barrier to investors. The establishment of the development support team is an attempt to address this barrier. Its success will depend on the new turnaround time for development applications and related investment proposals.

Addressing unemployment in the context of global, national and regional economies whose labour demands are contracting is hugely challenging. Further the number of young people dropping out of schools between the ages of 14 and 17 reducing young people's chances of finding employment even further. In most instances those who do drop out of schooling lacked foundational phase education. Theewaterskloof have leveraged national programmes, NARYSEC, EPWP and CWP along with provincial programmes, Skill to Work and PAY to provide support for young people to secure employment. To sustainability address the unemployment crisis interventions need to start with ECD and schooling interventions.

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3.10.1 INTRODUCTION TO PLANNING

On 1 December 2015, the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013), the Western Cape Land Use Planning Act, 2014 (Act 4 of 2014) and the Theewaterskloof Municipality By-law on Land Use Planning was implemented. The aforementioned legislation is responsible for the land use management (including the management of land use applications) within the municipal area.

The department is further responsible for the review of the Theewaterskloof Municipality Spatial Development Framework, which is the forward planning document that directs all growth and development within the municipal area. This document is also the main source of information that the department utilises in the assessment of land use applications.

The department furthermore provides support to communities that are living in poverty by assisting with the compilation of land use applications. Tariffs with regard to application fees and building scrutiny fees have also been structured in such a way that poverty stricken communities are not excluded from development.

3.10.2 APPLICATIONS FOR LAND USE DEVELOPMENT

Applications for Land Use Development

Detail	Formalisation of Townships		Rezoning		Built Environment	
	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
Planning application received	1	3	10	7	75	104
Determination made in year of receipt	1	1	10	6	74	36
Determination made in following year	0	0	0		1	67
Applications withdrawn	0	0	0	1	0	1
Applications outstanding at year end	0	2	0	0	0	67
						T3.10.2

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3.10.3 EMPLOYEES: PLANNING SERVICES

Employees: Planning Services (INCLUDING BUILDING CONTROL)					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	-	-	-	-
4 - 6	1	0	0	0	-
7 - 9	3	3	3	0	0%
10 - 12	5	6	6	0	0%
13 - 15	2	4	4	1	25%
16 - 18	-	1	1	0	0%
19 - 20	-	-	-	-	-
Total	11	14	14	1	7%

Employees: IDP					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	-	-	-	-
4 - 6	-	-	-	-	-
7 - 9	-	-	-	-	-
10 - 12	1	2	2	0	0%
13 - 15	1	1	0	1	100%
16 - 18	0	-	-	-	-
19 - 20	-	-	-	-	-
Total	2	3	2	1	33%

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3.10.4 FINANCIAL PERFORMANCE: PLANNING SERVICES

Financial Performance : Planning Services					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(4,402)	(2,132)	(2,227)	(3,318)	49%
Expenditure:					
Employees	9,280	10,671	9,852	8,976	-9%
Repairs and Maintenance	–	6	6	1	-76%
Other	1,065	1,510	1,077	,655	-39%
Total Operational Expenditure	10,345	12,187	10,936	9,632	-12%
Net Operational Expenditure	5,943	10,055	8,709	6,315	-27%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i>					T3.10.5

3.10.5 CAPITAL EXPENDITURE: PLANNING SERVICES

Capital Expenditure : Planning Services					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	–	10	–	-100%	
Inventory: Development Admin	–	10	–	-100%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T3.10.6

PHYSICAL PLANNING OVERALL:

Provision was made for the purchase of inventory items for new employees. However, appointment within this regard did not materialise and therefore the budget was not spent.

T 3.10.7

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3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

3.11.1 INTRODUCTION TO ECONOMIC DEVELOPMENT

A major focus of Theewaterskloof Municipality is that of Local Economic Development. With a population of over 113, 000 people, coupled with the migration phenomenon, it is imperative that job creation and stimulation of the local economy remain at the heart of the Municipality.

Based on the strengths of the local economy and opportunities identified by stakeholders as part of the Participatory Appraisal of Competitive Advantage (PACA) process in 2015, a number of economic development initiatives were prioritised to stimulate the local economy.

These include:

Tourism: tap into market niches through packaging activities in the area;

Position Theewaterskloof as a leader in country life and food;

1. Aggressively pursue clothing and agro-processing investment;
2. Develop a Standard Operating Procedure to promote investment in the region;
3. Utilise social media to promote individual towns;
4. Sell Municipal land for BEE apple farm;
5. Co-ordinate a forum for Non-Governmental Organisations;
6. Enable youth to engage with local role models.

During the 2016/17 period, in line with the PACA process and the current LED strategy, the Local Economic Development Services department focused strongly on three of these priorities:

1. Develop a Standard Operating Procedure to promote investment in the region;
2. Aggressively pursue clothing and agro-processing investment;
3. Co-ordinate a forum for Non-Governmental Organisations.

In addition to these priorities, the following initiatives were identified through the IDP process:

1. Stimulation of the informal economy;
2. Support for small, medium and micro businesses;
3. Emerging farmer support;
4. Youth development.

1. Investment Facilitation SOP:

Good progress has been made towards developing an SOP for investment facilitation and promotion. In 2014, Theewaterskloof was identified by the Western Cape's Department of Economic Development and Tourism (DEDAT) to host the first pilot project for an Investment Facilitation SOP. In 2015, Advocate Helen Venter, an expert in the field, was brought on-board and funded by DEDAT to facilitate the first phase of the IFSOP. Phase one of the IFSOP was comprised of a set of policy statements and a framework from which to develop investor incentives, establish a ring-fenced developer contribution fund and foster a set of investment guidelines. In July 2016, a consultant was appointed and funded by DEDAT to develop the three documents. These were completed in January 2017 and presented to the LED department in March 2017. A Council workshop was held in April 2017, where Advocate Venter then explained the framework and the function of the IFSOP. The policy statements will be presented to Council in August 2017 and a pilot investment project has been identified in order to implement the IFSOP.

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2. Aggressively pursue clothing and agro-processing investment:

An Agri-Park is a networked innovation system of agro-production, processing, logistics, marketing, training and extension services, located in District Municipalities. The Agri-Parks initiative seeks to, among others boost the rural economy, create jobs and ensure food security. The programme is aimed at supporting small-holder farmers through the provision of capacity building, mentorship, farm infrastructure, extension services, production inputs and mechanisation inputs. In addition to this small-holder farmers will also gain access to markets for their produce. The LED department has been working with the Department of Rural Development and Land Reform, the Overberg District Municipality, the and neighbouring Overberg B Municipalities to implement the Agri-Parks concept in the Overberg region. An Agri-Park Master Business Plan (APMBP) was established by an independent consultant procured by the National Department of Rural Development and Land Reform, and this defined the process of identifying sites for the Agri-hubs. Farmer Production Support Units as well as Rural Urban Market Centres were also identified through the APMBPs for the District. Two sites were allocated for Theewaterskloof: Genadendal (One Hectare, One Household initiative) and Villiersdorp (Rural Urban Market Centre). The project in Genadendal is in progress, involving the training of youth in agro-processing. The Market Centre in Villiersdorp has been budgeted for in the 2018/19 financial year.

3. Co-ordinate a forum for Non-Governmental Organisations:

The overarching objective of the Theewaterskloof Social Development Forum is a consultative forum aimed at increasing co-ordination and communication through information sharing, dialogue, capacity building and consultation on matters of mutual interest. The Forum held its first meeting in February 2016 and a terms of reference was signed by the Chairperson in September 2016. The Forum commits to improve access to integrated services by providing infrastructure which supports the provision of government information and services within the Theewaterskloof area. It is a non-political collective forum that is focused on social issues and is the long term and sustainable solution to address challenges of the citizens, i.e. it is closer to the outlying areas where people live. Primarily, the focus is on rural and under serviced communities, with the aim of addressing limited access of citizens to government services and information.

4. Stimulation of the informal economy:

Theewaterskloof Municipality has embarked on its plan to stimulate the informal economy, given the influx of seasonal workers into the region. The LED department appointed an independent consultant to develop an informal trading strategy in line with the National strategy, with the objective of boosting the township economy. For Theewaterskloof Municipality, informal trading is a positive development in the micro business sector, as it contributes to the creation of jobs and has the potential to expand the areas economic base and to contribute to the creation of a globally competitive world class African region. A key objective of developing an informal trading strategy is to create a well-managed informal trading sector that is fully integrated into the economic, spatial and social development objectives of the Municipality.

5. Support for small, medium and micro businesses:

Unemployment is one of the most important challenges facing the poor in our country. This has been made worse by the fact that over the last two decades, the formal economy (especially mining) has been shedding jobs and many workers were retrenched. Furthermore, every year hundreds of thousands of new job seekers (the vast majority of them youth) join the army of unemployed. It is accepted worldwide that the development and growth of small, micro and medium enterprises (SMMEs) can play an important role in turning this situation around. Policies and programmes to support

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the development of SMMEs is therefore important when looking at alleviating poverty, by making it possible for poor people to generate income to meet basic needs; reducing poverty through employment creation; redistribution of wealth, income and opportunities; and contributing to economic growth, by improving innovation and thus competitiveness.

The LED Department has developed a database of SMMEs and in partnership with the Western Cape's Department of Economic Development, Provincial Treasury, SA Revenue Services, Small Enterprise Development Agency and Theewaterskloof Municipality's Supply Chain Department has been engaging with SMMEs by hosting a number of Supplier Development Programmes and SMME Open Days. These have been well attended and well received by the small business community. In addition to this, the roll out of the JumpStart programme continues, offering up to fifteen SMMEs a pack that includes a logo design, a set of business cards, an electronic brochure and invoice, quotation and email signature templates. Furthermore, the LED department working with the Supply Chain Management department, designed and printed a business support brochure that offers SMMEs a step by step guideline of how to register a business as well as register on the municipal database and the Western Cape Supplier Database.

6. Emerging Farmer Support

Theewaterskloof partnered with different stakeholders like Department of Rural Development, Department of Water & Sanitation, Department of Agriculture, Breede Gouritz Catchment Management Agency, CPUT and Water Users Association and developed an emerging farmer support package. This document lists possible avenues of assistance to emerging farmers within the various stages of their business. The package were introduced firstly in the Swellendam Municipal area and refined with a workshop in Theewaterskloof Municipality. Follow meetings will be held to address issues highlighted at the introduction.

7. Youth Development

Youth development is an ongoing process with the Youth Entrepreneurial Program, Biggest Deal, in its 3rd and 4th year. Youth between the ages of 14-18 years is capacitated within a specific timespan to start and implement a functional business. Schools in all the Theewaterskloof towns are involved with the support of the Education Department. Privates sector support in the form of financial contributions and mentorship. The program has been expanded to include youth between the ages of 19-35 years.

8. Sustainable Development

Towards the end of 2015 Sustainable Development and Stakeholder Management Unit joined Directorate Operations. The unit has been responsible for building strategic partnerships & leverage support through private, corporate and intergovernmental relations.

The Unit manages number of 'Turnaround' Initiatives including social, economic, community safety and infrastructure projects.

Projects Include:

- Grabouw Investment Initiative;
- Violence Prevention Through Urban Upgrading (VPUU);
- Turnaround strategies
- Project Management under Directorate Operations
- Establishment of Client Care and corporate rebranding of Town Offices.

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VPUU

In March 2015 Theewaterskloof municipality signed an implementation protocol agreement with VPUU and Provincial Department of Environmental Affairs and Development Planning, agreeing to three year partnership and collaboration with relevant parties , as per agreed upon VPUU Strategy and Community Action Plan (CAP).

Under the vision of "Implementing the 'Whole of Society Approach' through joint learning to improve the Quality of Life" the VPUU partnership follows the strategy of addressing Prevention, Cohesion, Protection and Research and Development.

As part of the research and development component of the partnership, an annual community surveys was conducted to determine the community's perceptions regarding access to infrastructure and services.

Satisfaction with public infrastructure and services

OVERALL: 2014-2015 COMPARISON



The following activities were completed during the last two financial years financial year.

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Milestone	Date
5 SNAC meetings, 1 greater stakeholders meeting; 1 Reference Group held during reporting period	Jan 2016 – June 2016
6 ACT meetings held	Jan 2016 – June 2016
Monthly household survey by trained local residents Average 3.1 safety rating during the reporting period (all times and locations combined). This is up from the average of 3,0 as determined in the log frame	Jan 2016 – June 2016
Chrysalis:: 4 graduates currently placed 3 currently in training will be deployed in August 2016 3 attended interviews for the next intake; 12 Wolwekloof graduates placed with municipality. VPUU is assisting with DCAS afterschool programme.	Jan 2016 – August 2016
Municipal and local media used for communication	March 2016 – June 2016
Desert Start-up Bootcamp Career Development Training of Trainer	March 2016 – June 2016
Broader spatial planning of the “whole of Villiersdorp” approach towards Public Investment Framework; Buitenkant Precinct Plan (including Focus Areas 1,2 and 3); Concept Plan - Market.	April 2016 - May 2016
Establishment of the Local Drug Action committee	May 2016



Milestone	Date
Start of Monthly household surveys	July 2015
1 st annual Villiersdorp Community Festival	29 Aug 2015
Co-design Prevention Workshop on Buitenkant Precinct; with priority to Focus Areas 2 (NHC/RC) & 3 (Toy Library) and safe spaces and further co-design workshops with ECD group on Toy Library;	Aug – Oct 2015
Strengthening of ECD Forum, service provider appointed by TWK	Aug 2015
Media file opened at municipal communication department for all VPUU related publicity	Sept 2015
Annual Household Survey	Oct 2015
Villiersdorp Community Safety Forum established	Oct 2015
Opening of VPUU offices in TWK municipal building	Oct 2015
Recruitment of candidates for Chrysalis Academy & Placemaker role as youth leaders	Oct 2015
Development of Safety Promoter post to assist in AHR Implementation	Oct 2015
First round of SDF 7 projects successfully concluded	Oct 2015
2 nd SDF call issued	Nov 2015
Annual CAP review	14 Nov 2015
Agreement with TWK on land preparation for construction projects along Buitenkant Street	Nov 2015
SMME survey to support market development	Dec 2015

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Milestone	Date
10 ECD Centres in ECD forum received developmental toys and training.	June 2016
16 June Youth Day celebration held	June 2016
3 community projects approved for the 2nd SDF call 47 beneficiaries under 18 56 beneficiaries 18 and older Completed June 2016. 3rd SDF call made in July 2016.	June 2016
DoCS has presented strategy to CPF and AHR set to commence in December 2016.	June 2016
Active recruitment for NHW undertaken. Ground work for training conducted in July 2016	June 2016 – July 2016

General progress:

Reporting alignment (TWK contributes to progress reports and quarterly reporting on VPUU built into municipal systems)

Graduation and placement of two additional Placemakers from the Chrysalis program. Total of 4 Placemakers in Villiersdorp

Villiersdorp Local Drug Action Committee (LDAC) established in June 2016

Precinct Planning advanced with roles and timelines identified

LUM approved and processed. Tenders being prepared. Safe space advertised

Infrastructure and Planning Working Group established (Destiny site and infrastructure projects)

Destiny site under review

ECD forum established in April 2016

Noncedo creche (space for Toy Library) space activations held since April 2016

Monthly household surveys held

LED AgriPlanner workshop conducted May – June 2016 to equip urban gardeners

Reference Group meeting held in April 2016

Consistent monthly ACT meetings

Strong working relationship with TWK VPUU Project Manager

Appointment of a dedicated ECD and Safety promoter has seen much progress

16 June 2016 Youth Day celebration

3 LED focus group sessions held about market and other potential related infrastructure.

3 SNAC members received their drivers' licenses

Partnership with local newspaper "The Villiersdorper"

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Overall

SDF supported group 'Black Diamonds'



Set up of VPUU office



SDF supported group 'Villiersdorp Cricket Club'



Reference Group meeting 23.04.2016



Greyton Turnaround:

The need for a Turnaround Strategy for Greyton came about when stakeholder groups of Ward 2 became increasingly dissatisfied with issues of service delivery, lack of capital budget allocations, declining customer care and municipal commitment to agreed Service Level Agreements.

The overall purpose of the turnaround is to bring the various organisations together and improve the operational structures of the Greyton office.

In operationalising the plan the following has been achieved:

1. Restructured staff and resources
 - a. Streamlined and optimised programs
 - b. Developed weekly work schedules
 - c. Weekly visits to Greyton to assist town manager and monitor implementation of operational plan
2. Strengthened Leadership and Morale of the staff , foremen part of the weekly meeting, providing solutions to problems (inclusive process)
3. New technical officer mentors and builds capacity amongst foreman
4. Established formal working group (Town Manager, Technical office, foremen, admin office staff)

Stakeholder Management:

1. Re-established relationship with GRRO
2. Hosted turn around workshop/plenary session with stakeholders on the 6th August & 26th October
3. Built trust and improved communication (ongoing e-mail communication with chair of GRRO)

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4. Facilitated establishment of Business Forum to represent business sector on the greater stakeholder forum
5. Improved understanding of the importance of Ward Committee Structures
6. Encouraged participation in Ward Committees/Stakeholder Forums
 - a. capacitate ward committee structure
 - b. contribute to more inclusive and better informed IDPs
 - c. improve communication flow and understanding of municipal processes

Successful Interventions:

- Prompt intervention in reversing the planning approvals for Erf 295 and Erf 712
- Implementation & monitoring of the weekly work schedule
- Regaining confidence of stakeholders in the turnaround process
- Establishing of area wide stakeholder forum
- Identified initial projects, linked to work streams (private sector champions)
- Motivated for Capital Replacement Fund to be allocated towards Greyton Turnaround processes : Drop Off site and finishing off the storm water channels on Park Street

Villiersdorp Turnaround Strategy

The turnaround process stemmed from the need to unite the community in its attempts to plan and direct future initiatives implemented in Villiersdorp, with the purpose to counter the challenge of: diversity, division, poverty, weakening local economy, unemployment, crime and social decay through structured and coordinated planning & execution identified projects in collaboration and partnership with other stakeholders.

3 major projects have been identified as part of the Turnaround process:

1. Scenario Planning for DESTINY Housing Development – this project is part of collaboration between ASLA and VPUU. – completed.
2. Coordination of Community Safety Forum (CSF) and formalising the relationship with DoCS. – completed, MOU formalised on the 20th December 2016.
3. Rebranding of the Villiersdorp Office in line with the Customer Care brand initiated in Caledon. – completed, refurbished office space officially opened on the 2nd December 2016.



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Riviersonderend Turnaround Strategy

Purpose of the turnaround strategy is to rebuild the relationships with community and stakeholders in our attempt to regain credibility as local authority, also to unite the community in its attempts to plan and direct the future projects and development in Riviersonderend.

The process undertaken with regards to the turnaround comprised of following phases:

1. Stakeholder engagements - completed
2. Strategy formulation up to SWOT analysis - completed
3. Operational plan developed - completed
4. SWOT analysis tested through stakeholder workshop - October
5. Risk analysis - October
6. Identification of projects - October / November
7. Updated stakeholder map - October / November
8. MOU with Solution Base signed - November
9. List of Community Safety projects developed and approved by Town Manager
10. Community Safety Programs implemented
11. Community Safety Forum meeting held
12. Christmas Market held
13. Expansion plans for RSE Town Office developed

Chapter 3

3.11.2 JOBS CREATED BY LED INITIATIVES (EXCLUDING EPWP PROJECTS)

Jobs Created by LED Initiatives (Excluding EPWP projects)

Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/ displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total	889		889	Investment facilitation
Unspecified	29		29	NGO Forum
Community/ social	145		145	Investment facilitation
Financial/ real estate	210		210	Emerging contractors dev
Construction	33		33	Skills development
Manufacturing	375		375	Investment facilitation
Wholesale/ Retail	97		97	Poor sector performance and influx of indigents
Agriculture		300	300	
				T3.11.5

3.11.3 JOBS CREATED BY LED INITIATIVES

Job creation through EPWP* projects

Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
Year 2013/14	41	357
Year 2014/15	18	189
Year 2015/16	31	264
Year 2016/17	50	444

* - Extended Public Works Programme

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3.11.4 EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES

Employees: Local Economic Development Services					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	-	-	-	-
4 - 6	-	-	-	-	-
7 - 9	-	-	-	-	-
10 - 12	1	1	0	1	100%
13 - 15	1	1	1	0	0%
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	2	2	1	1	50%

3.11.5 FINANCIAL PERFORMANCE: LOCAL ECONOMIC DEVELOPMENT SERVICES

Financial Performance : Local Economic Development Services					
R'000					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(837)	(212)	(727)	(1,768)	143%
Expenditure:					
Employees	1,964	2,177	1,915	1,942	1%
Repairs and Maintenance	9	-	-	(0)	
Other	588	1,006	1,519	850	-44%
Total Operational Expenditure	2,562	3,182	3,434	2,792	-19%
Net Operational Expenditure	1,725	2,970	2,707	1,024	-62%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.					T3.11.9

Chapter 3

3.11.6 CAPITAL EXPENDITURE: LOCAL ECONOMIC DEVELOPMENT SERVICES

Capital Expenditure: Local Economic Development Services					
R' 000					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				-	
Project A				-	
Project B				-	
Project C				-	
Project D				-	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.11.10

Chapter 3

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.12 LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

3.12.1 LIBRARY: HIGHLIGHTS/CHALLENGES AND SERVICES STATISTICS

The Grant funded by Department Cultural Affairs and Sport (DCAS – library services) for 2016/ 2017 amounts to R7 535 000.00

The bulk of this funding has been utilised for the salaries of the permanent library personnel as well as the contract workers who has now signed a three year contract with the municipality.

The following needs have also been addressed through this grant:

Bereaville Library:

It was decided that due to the distance from the nearest library service for the community of Bereaville, this service has to be established in the village. Subsequently the facility was furnished with shelving and book racks as per DCAS conditions. This also included a reception area as well as cubicles for the computers. Once the library assistant has been appointed the library will come into operation where books as well as internet facilities will then be available to the local community.

Tesselaarsdal Library:

This has been a flagship project in terms of construction of new library facilities. The building has been completed and has become a centre stage for the small community of Tesselaarsdal. The official opening to take place by end of October 2017. The proximity to residential area, school and churches ideally positions the library to serve its community as a recreational, educational and social node. This facility will also have a boardroom for community meetings and interventions.

What renders this project different from other library construction projects, is the fact that the construction work on the building was managed internally by the municipality with additional help of local labour, galvanising the community spirit and by-in into the project.

With the appointment of staff currently in process, the library will be operational in the later part of 2017.

Other:

The aim of bringing library facilities closer to the communities, has resulted in another project which planning phase has been completed and approved. A satellite library in Goniwe Park, Villiersdorp has been on the cards since early 2016, yet lengthy land use and building plan application processes meant that we were only able to focus on planning. The funding for the building has been leveraged through partnership with VPUU, Argent and Afimat. With the rezoning and subdivision completed and building plans approved, the appointment of the contractor is to commence shortly. The library's target clientele will be the neighbouring ECD centres and the young readers of the area.

The library service includes inter alia outreach to old age homes as well as holiday programmes for our youth especially during school holidays. School kids are also assisted with their school projects by our library staff.

Chapter 3

Challenges:

Library services in the Theewaterskloof Municipality are currently healthy and the librarians are really doing their best to engage with the community through various projects. The main challenge will always be to get more users into the libraries in order to enhance reading amongst especially our youth.

3.12.2 EMPLOYEES: LIBRARY SERVICES

Employees: Libraries					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	-	-	-	-
4 - 6	24	27	26	1	4%
7 - 9	4	4	4	0	0%
10 - 12	2	3	3	0	0%
13 - 15	-	-	-	-	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	30	34	33	1	3%

3.12.3 FINANCIAL PERFORMANCE: LIBRARIES

Financial Performance: Libraries					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(6 846)	(7 470)	(7 859)	(8 064)	3%
Expenditure:					
Employees	5,101	5,805	5,805	5,351	-8%
Repairs and Maintenance	259	867	1246	1329	7%
Other	361	844	789	539	-32%
Total Operational Expenditure	5,721	7,516	7,840	7,219	-8%
Net Operational Expenditure	(1 125)	,46	(19)	(845)	4328%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.					T3.52.5

Chapter 3

3.12.4 CAPITAL EXPENDITURE: LIBRARIES

Capital Expenditure: Libraries					
R' 000					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	826	575	161	-72%	
Inventory Libraries	826	575	161	-72%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.52.6

3.13 CEMETORIES AND CREMATORIUMS

3.13.1 INTRODUCTION CEMETORIES AND CREMATORIUMS

Theewaterskloof consists of 8 towns and each town has its own cemetery. Some towns for example Grabouw and Caledon had an influx of people to an extent that the present cemeteries became saturated and new land needed to be identified for expansion.

Cemeteries are as follows:

- Caledon
- Riviersonderend
- Tesselaarsdal
- Botriver
- Grabouw
- Villiersdorp
- Greyton and Genadendal

The top priority of cemeteries is the provision of land for burial services; however with very little land available providing land for cemeteries is becoming a problem.

Chapter 3

3.13.2 FINANCIAL PERFORMANCE: CEMETORIES

Financial Performance: Cemeteries and Crematoriums					
R'000					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(520)	(530)	(530)	(590)	11%
Expenditure:					
Employees	–	–	–	–	–
Repairs and Maintenance	466	513	513	431	-16%
Other	96	125	191	83	-57%
Total Operational Expenditure	562	638	704	513	-27%
Net Operational Expenditure	43	108	174	(77)	-144%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i>					T3.55.5

3.13.3 CAPITAL EXPENDITURE: CEMETORIES

Capital Expenditure : Cemeteries & Crematoriums					
R' 000					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
Total All	–	780	504	-35%	
Cemetery Caledon	–	401	339	-15%	
Cemetery Grabouw	–	379	165	-56%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.55.6

3.13.4 COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIALS OVERALL

Grabouw are in need of extending their cemetery and will most probably begin in year 2017. The Basic assessment has started but has been stopped at present by the Mayor because of objections against the cemetery. The objection mostly related to the suitability of the property as a part of the community felt that it is more suitable for other types of development.

Grabouw EIA / Basic assessment has started as explained above but at this stage been halted by the mayor.

Chapter 3

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

3.14.1 INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Social Development Programmes

Early Child Development

- Functional ECD Forums in Grabouw and Villiersdorp. Villiersdorp ECD Forum obtained NPO status.
- Ongoing engagement with entities operating ECD programs from Municipal property to ensure compliance to health and safety standards.
- Engagement with private sector continues to ensure Corporate Social investment towards to the sector.
- Engagement with Early Year Services to ensure continues functioning of established Toy Libraries.
- Draft ECD policy has been developed for Council resolution.

Youth & Aged Care

- Ongoing facilitation to ensure recruitment and placement of students trained at the Chrysalis Academy – The program is initiated by the Department of Community Safety.
- Drug Action Committees is active in Grabouw, Villiersdorp, Riviersonderend, Greyton. Terms of Reference has been developed for a Theewaterskloof Drug Action Committee.
- Ongoing facilitation to promote access to opportunities for youth.
- Continues support to the Golden Games where the aged participate in sporting activities.

Chapter 3

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and costal protection.

3.15 POLLUTION CONTROL

3.15.1 INTRODUCTION TO POLLUTION CONTROL

Pollution control/Air Quality function is being performed in line with Overberg District Municipality's approved Air Quality Management Plan. Theewaterskloof Municipality developed its air quality plan in conjunction with province. The plan has been approved by Council. Theewaterskloof Municipality have one official that is appointed as air quality official.

Overberg District Municipality is the licensing authority in terms of NEM: AQA (Act No 39 of 2004) to issue Atmospheric Emission License for Listed Activities, which include the following:

- Review of the Atmospheric Emission licenses received from the Listed Activities Industries
- Investigating Air Quality related complaints within the Overberg District Region.
- Developing the Overberg District Municipality Air Quality by-law.
- ODM have an interim air quality officer for air quality function that is assisted by four officials, one from each sub district.

Overberg District Municipality also attends yearly Provincial Air Quality Officer's Forum.

3.15.2 FINANCIAL PERFORMANCE: POLLUTION CONTROL

Financial Performance: Pollution Control					
R'000					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	–	–	–	0%
Expenditure:					
Employees	–	–	–	–	0%
Repairs and Maintenance	2	20	–	–	0%
Other	0	20	0	0	-41%
Total Operational Expenditure	2	40	0	0	-41%
Net Operational Expenditure	2	40	0	0	-41%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget .					T3.59.5

Chapter 3

3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

3.16.1 INTRODUCTION TO BIO-DIVERSITY AND LANDSCAPE

Biodiversity is the protection of all biodiversity in and around Nature reserves and open spaces as well as all commonage land this protection of Biodiversity are managed in conjunction with Cape Nature , NGO organisations and other governmental partners.

Biodiversity is protected under NEMA, NEMBA and the Biodiversity by law. All these laws are there to protect and preserve all living things and set out rules for engaging with the environment.

3.16.2 COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL

- No capital budget was spend and the budget were only spend on maintenance
- Projects are, alien clearing and arboriculture maintenance

Chapter 3

COMPONENT F: HEALTH

3.17 CLINICS

Health services are managed by the Provincial Department of Health.

3.18 AMBULANCE SERVICES

Ambulance services are provided by the Overberg District Municipality.

3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

The above mentioned services are provided by the Overberg District Municipality.

Chapter 3

COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

3.20 TRAFFIC

3.20.1 EMPLOYEES: TRAFFIC OFFICERS

Job Level	Employees: Traffic				
	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	3	2	1	33%
4 - 6	10	10	8	2	20%
7 - 9	33	29	25	4	14%
10 - 12	8	8	7	1	13%
13 - 15	4	4	4	0	0%
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	58	54	46	8	15%

3.21 LAW ENFORCEMENT

3.21.1 LAW ENFORCEMENT: HIGHLIGHTS/CHALLENGES AND SERVICES STATISTICS

Highlights	Description
Traffic and Law Enforcement	<p>Law Enforcement has a program eMIS in place to record all law enforcement and also now traffic related cases/queries received.</p> <p>The eMIS system is a job card system which assist the department in ensuring that all cases/queries received are attended to, completed and feedback is provided to the public. A monthly report is drawn for record purposes and to see if cases are adhered to.</p> <p>Traffic Law Enforcement</p>

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Aggressive Speed Law Enforcement took place
ANPR roadblocks conducted to finalise outstanding warrants
Aggressive by-law enforcement
Impoundment of stray animals
Auctioning of stray animals
Impoundment of illegal public transport vehicles

3.21.2 FINANCIAL PERFORMANCE: TRAFFIC AND LAW ENFORCEMENT

Financial Performance : Traffic and Law Enforcement					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(31,132)	(27,225)	(22,170)	(30,758)	39%
Expenditure:					
Employees	12,385	13,303	15,012	14,772	-2%
Repairs and Maintenance	368	610	638	542	-15%
Other	26,966	21,785	38,875	29,524	-24%
Total Operational Expenditure	39,718	35,698	54,525	44,838	-18%
Net Operational Expenditure	8,586	8,474	32,355	14,080	-56%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i>					T3.65.5

3.21.3 LAW ENFORCEMENT: CHALLENGES

Challenges	Actions to Address
Shortage of permanent staff	<ul style="list-style-type: none"> EPWP contract staff was appointed to fulfil law enforcement operational needs. Of the 20 students/wardens appointed no one is left in service, all of them has sort alternative employment Wolwekloof programs was implemented More appointments are required. Partnerships and new programs to be investigated and implemented
Public ignorance towards by-laws	<ul style="list-style-type: none"> Awareness campaigns Aggressive patrolling's in terms of high visibility (foot patrols etc.). Consistent operations throughout the whole TWK jurisdiction. Busy Implementing Law Enforcement Strategy and

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	<p>Community Safety Plan</p> <ul style="list-style-type: none"> Two Community Safety Forums were established in Riviersonderend and Villiersdorp
Vehicle shortage	<ul style="list-style-type: none"> New vehicles were procured for Traffic Fleet Management to budget and procure additional vehicles for Law Enforcement
Impoundment of animals	<ul style="list-style-type: none"> Vehicle was purchased to impound animals Upgrading of pound Animal pound was established and is operational Animals were impounded and auctioned
Shortage of communication systems and IT equipment	<ul style="list-style-type: none"> Cell phones, two way hand radio's to be budgeted for Budget needed for communication infrastructure Budget needed for computers and IT system
Protective tools	<ul style="list-style-type: none"> Firearms, bullet proofs, handcuffs, Tomfa, pepper spray
Training	<ul style="list-style-type: none"> Crowd control to assist with marches Firearm training Self-defence training Client services and conflict management training
Taxi violence	<ul style="list-style-type: none"> Taxi Pound are operational Integrated public transport operations Provincial support Impoundment of illegal public transport vehicles
Vandalism	<ul style="list-style-type: none"> Reward for information policy approved by Council Public participation and assistance is needed to minimize vandalism and theft of municipal property
Illegal land grabs and public protests	<ul style="list-style-type: none"> Illegal land grabs threaten municipal land and open spaces Traffic offices in Grabouw was destroyed during protest action Specialized unit is needed to manage illegal land grabs and protest action

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3.22 DISASTER MANAGEMENT

3.22.1 INTRODUCTION TO DISASTER MANAGEMENT

Financial Performance: Disaster Management					
Details	2015/16	2016/2017			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	–	–	–	–
Expenditure:					
Fire fighters	–	–	–	–	–
Other employees	–	–	–	–	–
Repairs and Maintenance	573	700	700	1349	93%
Other	100	1330	1330	1018	-23%
Total Operational Expenditure	673	2030	2030	2367	17%
Net Operational Expenditure	673	2030	2030	2367	17%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i>					T3.66.5

Disaster Management is to provide blankets, food and shelter during disaster incidents in mostly informal structural areas. Preventative mitigation measures are also done by managing and maintaining rivers and other natural areas to prevent disaster events as far as possible. Disaster management performed well within its limitations and budget restraints.

3.22.2 INTRODUCTION TO DISASTER MANAGEMENT

Employees: Disaster Management					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	-	-	-	-
4 - 6	-	-	-	-	-
7 - 9	-	-	-	-	-
10 - 12	-	-	-	-	-
13 - 15	1	1	1	0	0%
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	1	1	1	0	0%

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Financial Performance : Disaster Management, Animal Licencing and Control					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(143)	(60)	(350)	(353)	1%
Expenditure:					
Employees	-	-	-	-	-
Repairs and Maintenance	708	840	949	1579	66%
Other	417	1674	1774	1450	-18%
Total Operational Expenditure	1125	2514	2723	3029	11%
Net Operational Expenditure	982	2 454	2 373	2 676	13%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.67.5

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COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

3.23 SPORT AND RECREATION

3.23.1 SERVICE STATISTICS FOR SPORT AND RECREATION

Grabouw:

The amount of R1, 7 million as allocated by Council for the construction of a new soccer facility has now been completed. This facility has a proper grass soccer field with fencing as well as ablution/ cloakroom facility for players and spectators.

Tesselaarsdal

The project to build a new rugby field as well as an ablution and clubhouse facility have not been completed by the end of the 2016/ 2017 financial year. This project will be finalised in the second quarter of the 2017/ 2018 financial year.

Botriver Education Foundation:

This initiative from the community is still growing in numbers and popularity and TWK is proud to be one of the main sponsors to this event.

Challenges

The main challenge remains insufficient funding therefor sponsorship from organisations such as Department Cultural Affairs and Sport as well as National Lottery is vital.

Vandalism and theft are still the biggest challenges experienced and will hopefully be minimised with the CCTV implementation.

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3.23.2 EMPLOYEES: SPORT AND RECREATION

Employees: Sport and Recreation					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	-	-	-	-
4 - 6	-	-	-	-	-
7 - 9	-	-	-	-	-
10 - 12	-	-	-	-	-
13 - 15	1	1	1	0	0%
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	1	1	1	0	0%

3.23.3 EMPLOYEES: PARKS

Employees: Parks					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	13	13	13	0	0%
4 - 6	21	24	21	3	13%
7 - 9	2	2	2	0	0%
10 - 12	1	1	1	0	0%
13 - 15	-	-	-	-	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	37	40	37	3	8%

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3.23.4 FINANCIAL PERFORMANCE: SPORT AND RECREATION

Financial Performance: Sport and Recreation					
R'000					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(56)	(69)	(46)	(49)	6%
Expenditure:					
Employees	4,878	5,483	5,218	5,122	-2%
Repairs and Maintenance	2,125	2,407	2,363	2,195	-7%
Other	663	969	672	504	-25%
Total Operational Expenditure	7,667	8,859	8,252	7,822	-5%
Net Operational Expenditure	7,612	8,790	8,206	7,772	-5%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.					T3.68.4

3.23.5 CAPITAL EXPENDITURE: SPORT AND RECREATION

Capital Expenditure : Sport and Recreation					
R' 000					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	,750	1,552	1,346	(0)	
New Sport Facility Phase I	750	750	547	-27%	
Sport Facility - Dennekruin	—	802	799	0%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.68.5

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COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

3.24 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councillors; and municipal manager).

3.24.1 EMPLOYEES: EXECUTIVE AND COUNCIL

Employees: The Executive and Council (MM AND DIRECTORS)					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	-	-	-	-
4 - 6	-	-	-	-	-
7 - 9	-	-	-	-	-
10 - 12	-	-	-	-	-
13 - 15	-	-	-	-	-
16 - 18	-	-	-	-	-
19 - 20	6	6	2	4	67%
Total	6	6	2	4	67%

Employees: Administration (HR AND IT INCLUDED)					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	10	10	10	0	0%
4 - 6	22	22	22	0	0%
7 - 9	12	12	12	0	0%
10 - 12	21	21	21	0	0%
13 - 15	5	5	5	0	0%
16 - 18	9	9	9	0	0%
19 - 20					
Total	79	79	79	0	0%

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Employees: Internal Audit					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	-	-	-	-
4 - 6	-	-	-	-	-
7 - 9	-	-	-	-	-
10 - 12	2	2	2	0	0%
13 - 15	-	-	-	-	-
16 - 18	1	1	1	0	0%
19 - 20	-	-	-	-	-
Total	3	3	3	0	0%

3.24.2 FINANCIAL PERFORMANCE: EXECUTIVE AND COUNCIL

Financial Performance : The Executive and Council					
R'000					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(7,763)	(218)	(909)	(7,166)	688%
Expenditure:					
Employees	15,971	16,019	13,540	16,147	19%
Repairs and Maintenance	13	27	27	29	9%
Other	12,086	17,191	16,513	13,611	-18%
Total Operational Expenditure	28,070	33,237	30,080	29,788	-1%
Net Operational Expenditure	20,307	33,019	29,171	22,621	-22%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.					T3.69.5

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3.25 FINANCIAL SERVICES

3.25.1 INTRODUCTION TO FINANCIAL SERVICES

The application of sound financial management principles is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainable, economically and equitably to all communities.

The key objective of the Municipal Finance Management Act (2003) is to modernise municipal financial management in South Africa so as to lay a sound financial base for the sustainable delivery of services. Municipal financial management involves managing a range of interrelated components: planning and budgeting, revenue, cash and expenditure management, procurement, asset management, reporting and oversight. Each component contributes to ensuring that expenditure is developmental, effective and efficient and that municipalities can be held accountable.

During the 2011 strategic planning session, Financial Sustainability was identified as the highest priority for the municipality. A Turnaround Strategy was adopted and a Steering Committee established to guide and implements the strategy. Specific low hanging fruit projects have also already been adopted by such a committee. Although (as previously indicated under financial overview) financial sustainability remains the municipality's biggest challenge, considerable improvements have been made.

The biggest challenge within the financial section remains the functioning and results of the Revenue Section which is critical to financial sustainability and consequently it is the area that we should be focussing on.

FINANCIAL SERVICES: CHALLENGES

Challenges	Description
Revenue Section	<p>Collection rate is too low. The reasons for the low collection rate is attributed to the following:</p> <ul style="list-style-type: none">• The Genadendal transformation process has not been completed and no credit control can be done due to Eskom providing electricity.• Whilst the collection rate in Grabouw is steadily increasing, a large number of RDP houses who qualify for indigent subsidy is not registered as such due to a failure on their part to register themselves for indigent support. This despite the effort made by the administration to conduct door to door visits aimed at encouraging and assisting them to apply for indigent support.• No credit control can be exercised in the Grabouw, Botrivier, Tesselaarsdal and Myddleton areas as Eskom is the electricity provider. We have commenced with the installation of the so-called utility water meters that could be used as a credit control tool. <p>Collection remains below 90% for the past 6 years</p>
Inadequate grant funds from National and Provincial Government	<p>The Fiscal Model has become out-dated further skewed by the inaccurate data of recent census. We will continue to fight for a review of the criteria for Grant distribution to municipalities.</p>

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Narrow rates base	<p>Not enough economic development and job opportunities to contribute towards the fiscus of the municipality. Viewed as one of the few true rural municipalities, plagued by poverty due to unemployment and seasonality of work. Lowest per capita income of all the 4 municipalities in the District and also lower than the national average.</p>
Implementation of mSCOA (Standard Chart of Accounts)	<p>On 22 April 2014 the Minister of Finance promulgated a regulation that requires all municipalities to implement uniform standards to conduct budget related transactions and financial reporting to National Treasury. The effective date of the regulation was 01 July 2017.</p> <p>National Treasury requested the mSCOA Management Committees of municipalities to evaluate their current financial system in terms of its ability to process transactions in accordance with the multi-dimensional table of accounts (mSCOA). After a presentation of the current service provider (Fujitsu), the Management Committee decided on 02 September 2016 to upgrade the current financial system (ABAKUS) to a version that complies with mSCOA regulations.</p> <p>The current service provider however informed the municipality on 19 April 2017 that they cannot continue with the development of the mSCOA system. The municipality subsequently urgently investigated alternative computers systems that comply with the mSCOA requirements. On 12 June 2017 the investigation and appointment was completed according to supply chain management prescriptions and Vesta was appointed through the transversal tender issued by National Treasury.</p> <p>The challenge faced by TWK is the financial resources required to ensure that the financial system able to implement mSCOA. The cost of training could place further strain on the municipality's financial resources. Other challenges faced is the time spent away from work whilst receiving training, employees resistant to change, having to use external service providers as a result of employees not coming to terms with the complexity of the new regulations etc.</p>
A weak revenue stream	<p>Due to the relative small revenue out of electricity as most of the reticulation is done by ESKOM, this not only affect the municipalities ability to generate revenue it's also hampers debt collection in towns where the municipality don't provide electricity. TWK is one of the pioneers fighting for either being the sole provider of electricity in its area or alternatively concluding service level agreements with ESKOM aimed at receiving additional revenue from electricity sold in the area and assisting with debt control through restriction of electricity supply to defaulting consumer.</p>

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The problem is that expectations and frustrations of the poorest of the poor are escalating by the day and the municipality is simply not able to respond due to lack of funding. The wider the gap between expectations and institutional capacity the bigger the risk of service protests. It is the responsibility of all to manage expectations down to a realistic affordable level. Obviously every attempt should also be made to manage the institutional capacity up in response to narrowing the gap between expectation and capacity.

The backlogs in infrastructure further puts pressure on municipal finances. The inability of the municipality to spend in non-grant funded areas due to lack of reserves are causing frustration in paying community and could negatively affect their willingness to pay. The uncertainty surrounding the sustainability of future grant funding, central government's fiscal model, low revenue base, unemployment and the community's

Ability/willingness to pay for services as well as the uncontrolled influx of unemployed, unskilled and homeless people into the municipal area are factors all of which have a negative impact on the financial health of the municipality.

Although the financial health of the municipality has improved considerably over the last few years, the current financial health as reflected in various ratios indicates an inherent risk to service delivery sustainability and should these risk not be mitigated or eliminated a breakdown in service delivery could become a reality.

3.25.2 EMPLOYEES: FINANCIAL SERVICES

Employees: Financial Services					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	29	29	29	0	0%
7 - 9	23	26	23	3	12%
10 - 12	6	10	10	0	0%
13 - 15	6	8	8	0	0%
16 - 18	1	2	1	1	50%
19 - 20	0	0	0	0	0
Total	65	75	71	4	5%

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3.25.3 FINANCIAL PERFORMANCE: FINANCIAL SERVICES

Financial Performance: Financial Services					
R'000					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(75 956)	(67 841)	(72 309)	(76 928)	6%
Expenditure:					
Employees	18,384	21,701	20,015	21,559	8%
Repairs and Maintenance	236	321	397	315	-21%
Other	15,503	12,952	14,213	10,147	-29%
Total Operational Expenditure	34,123	34,974	34,625	32,020	-8%
Net Operational Expenditure	(41,832)	(32,867)	(37,684)	(44,908)	19%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i>					T3.70.5

3.25.4 CAPITAL EXPENDITURE: FINANCIAL SERVICES

Capital Expenditure : Financial Services					
R' 000					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	40	40	9	-77%	
Inventory Items Finance	40	40	9	-77%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.70.6

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Debt Recovery								
Details of the types of account raised and recovered	2015/16			2016/17			2017/18	
	Billed in Year	Actual for accounts billed in the year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in the year	Proportion of accounts value billed that were collected in the year %	Estimated outturn for accounts billed in the year	Estimated Proportion of accounts value billed that were collected in the year %
Property Rates	77,522	76,025	98%	85,873	79,640	93%	94,233	90%
Electricity	73,608	72,884	99%	80,098	79,731	100%	82,544	90%
Water	49,994	42,724	85%	59,575	47,070	79%	55,916	90%
Sanitation	24,978	18,550	74%	25,607	15,702	61%	29,771	90%
Refuse	25,222	16,246	64%	27,527	17,038	62%	29,776	90%
Other	2,540	,969	38%	1,120	1,555	139%	–	90%
See Chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the system behind them.								T3.25.2

Assessment of arrears on municipal services and property rates

Management of consumer debtors is one of the most important functions and a prerequisite for financial sustainability. The older the debt, the more difficult it becomes to collect the debt. It is therefore imperative and critical that effective credit control measures be taken against defaulting consumers as soon as an account falls into arrears. An analysis of the outstanding debt as at 30 June 2017 has revealed the following:

- Debt older than 90 days represent 85% of the total arrears debtors and have grown by 15% while total outstanding debtors have also grown by 15% or R19,5million when compared to the previous year;
- 20% of the total outstanding debtors is in respect of refuse removal and arrears for refuse have grown by 18% year on year. The service type with the second highest outstanding debt is water sitting on 19% while interest charges on arrears also representing 19% of total debtors and growing by 17% year on year.
- A total of R122, 7million (R106, 3million in 2016) or 80% is owed by residential consumers with commercial consumers owing R11, 4million (R9, 2million in 2016) and organs of state has an outstanding balance of R3, 4million or 2% of the outstanding debtors.
- Grabouw is the town with the highest outstanding debt (R65, 6million or 43%) and this is up by 14% from R57, 7million in 2016. The town with the second highest debt is Genadendal with R40, 6million or 27% and this is up by 21% from R33, 4million in 2016.
- The town of Grabouw has the highest number of erven (4 772 or 29%) but the valuation of the properties is equal to that of Caledon which is the town with the second most properties (3 109

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or 19%). The property values of the towns are R1, 4 billion each and represent the bulk of the property values if the value of agricultural properties are excluded.

- The worst performing town as measured by the ratio of outstanding debtors to revenue is Genadendal (274%) followed by Tessaarsdal (123%), Grabouw (108%) and Botrivier (101%).
- The best performing towns are Caledon (13%), Villiersdorp (15%), Greyton (20%) and Riviersonderend (33%).

Despite all the challenges such as high unemployment and poverty, a 53% indigent population, the Genadendal transformation issue which remains unresolved and an obstacle for debt collection and credit control and the lack of an effective credit control mechanism in Grabouw, Tessaarsdal, Genadendal and Botrivier, it is incumbent upon us to develop strategies and innovative approach to credit control and debt collection to improve the ratio to at least 92%. The 2017/18 financial year will be even a bigger challenge due to the fact that the implementation of mSCOA had caused a delay in sending out municipal accounts and effectively no credit control and debt collection could be performed during the first half of the 2017/18 financial year.

The measures that will be taken during 2017/18 to try and improve revenue collection are as follows:

- Installation of water demand management devices as a credit control mechanism in especially Grabouw, Tessaarsdal, Genadendal and Botrivier.
- Decentralising the credit control function and centralising the debt collection function. Consideration will be given to capacity building in the debt collection function to appoint someone that will be able to follow through on the legal process right until appearing in court on behalf of the municipality.
- Developing and implementing incentives as a method to transform debt collection function into a rehabilitative rather than a punitive action. In addition, the newly created community development function will be utilized to rehabilitate defaulters.
- Increase the registration of indigents and review the indigent policy to ensure that all indigents are registered and to reduce the administrative burden of indigent management.
- Continue discussions and engagements to resolve the Genadendal transformation issue.
- Continue to lobby SALGA and CoGTA to amend legislation and to introduce new enabling legislation that will support debt collection efforts.
- Continue discussions and engagements with SALGA to enter into service delivery agreements with Eskom in areas where Eskom is providing electricity.
- Develop and set up a customer care and management function.

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3.26 HUMAN RESOURCE SERVICES

The Human Resources Department of Theewaterskloof Municipality provides human resource management programs and services, aligned with the municipalities' strategy, values of integrity, excellence and wellness; and consistent with Council and regulatory requirements, to enable the municipality to meet its strategic and service goals by: Promoting excellence in human resource management and providing leadership in the implementation of the municipalities strategy, Providing a proactive human resource advisory, information and service function to the line departments, Providing information to Council and the organisation to support human resource decision making and supporting employment related legislative compliance.

The following represent the organisational structure of the Human Resource Department:

- Labour Relations / IR
- Health & Safety and Risk Management
- Benefits & HR Administration
- Staffing & Workforce Planning
- Organisational Development
- Employee Assistance

The HR Department use the following pillars as basis:

- Employee Wellness:
Where employees are assisted in balancing their career, home and personal life through supportive human resources policies and management approaches.
- A Learning Organisation:
Establish a commitment to align career development practices with employee's personal goals and existing corporate objectives.
- Leadership
Develop leaders within all levels of the organisation who will share enthusiasm, a sense of purpose and direction, and reflect the values of the organisation.
- Service Excellence
Provide business and service excellence by revisiting our business objectives, effectively using technology, ensuring staff are well trained, effectively managing change and objectively measuring performance for continuous improvement.

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3.26.1 EMPLOYEES: HUMAN RESOURCE SERVICES

Employees: Administration (HR AND IT INCLUDED)					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	10	10	10	0	0%
4 - 6	22	22	22	0	0%
7 - 9	12	12	12	0	0%
10 - 12	21	21	21	0	0%
13 - 15	5	5	5	0	0%
16 - 18	9	9	9	0	0%
19 - 20					
Total	79	79	79	0	0%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.63.4

3.26.2 FINANCIAL PERFORMANCE: HUMAN RESOURCE SERVICES

Financial Performance: Human Resource Services					
					R'000
Details	Year 2015/16	Year 2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(600)	(1 226)	(1 491)	(569)	-62%
Expenditure:					
Employees	3,607	3,586	4,013	3,986	-1%
Repairs and Maintenance	—	—	—	—	—
Other	4,100	4,758	4,861	4,983	3%
Total Operational Expenditure	7,708	8,344	8,874	8,969	1%
Net Operational Expenditure	7,108	7,117	7,383	8,400	14%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.					T3.71.5

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3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

3.27.1 INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

With the world-wide increase of ICT security threats, the municipal ICT units is constantly under an obligation to increase restrictive security measures. While increasing our security we still have to balance such restrictions with operational requirements, as well as consideration to public communication. This creates a grey area that is prone to security risk of falling victim to cyber-attacks. ICT security has become the number one risk within the division and a constant effort is made to keep abreast with the technology changes that affects ICT security that can negatively impact service delivery or result in legal complications.

As a support function, the ICT division is more involved in decision-making processes of the municipal administration. The municipal ICT Steering Committee (ICTSC) as a formal committee of council is delegated to make decisions with regards to the municipal ICT governance. The ICTSC is under the leadership of the Municipal Manager and the newly approved Terms of Reference now includes councillors and the internal audit division as members of the committee.

The municipality was also involved in the standardization of municipal ICT policies throughout the Western Cape and saw Western Cape Municipal ICT divisions receiving a set of standardized, industry best practice policies. Although the Theewaterskloof municipal council has not formally approved the policies, the ICT division is working to have the policies approved and implemented as soon as possible, taking into consideration the financial and other resource constraints.

The municipality also engaged in its first official ICT shared-services Video Conferencing project with other municipalities in the Overberg. Other projects includes, amongst others, the replacement of the municipal accounting system, as well as a video surveillance system for community safety.

The goal of the municipal ICT division is be an enabler of the business in order to give effect to the municipal mandate to provide services to communities and this we try to achieve by sourcing and using the latest technologies.

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3.27.2 EMPLOYEES: ICT SERVICES

Employees: ICT Services					
Job Level	Year 2014/15	Year 2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	-	-	-	-
4 - 6	-	-	-	-	-
7 - 9	-	-	-	-	-
10 - 12	1	3	3		0%
13 - 15	1	1	1		0%
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	2	4	4	0	0%

3.27.3 FINANCIAL PERFORMANCE: ICT SERVICES

Financial Performance: ICT Services					
R'000					
Details	Year 2015/16	Year 2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	-
Expenditure:					
Employees	1165	1564	1717	1702	-1%
Repairs and Maintenance	-	-	-	-	-
Other	3,674	4,870	4,404	3,676	-17%
Total Operational Expenditure	4,838	6,434	6,122	5,378	-12%
Net Operational Expenditure	4,838	6,434	6,122	5,378	-12%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.					T3.72.5

Chapter 3

3.28 PROPERTY MANAGEMENT

3.28.1 PROPERTY MANAGEMENT: CHALLENGES/HIGHLIGHTS

This component includes: property management.

Challenges

- The Property Management Department still has many challenges of which capacity is still one of the biggest. This situation results into a backlog that will not easily be resolved.
- The declining world and national **economy**, results into not having enough bank credible buyers to buy and develop available properties.
- The high cost of providing **infrastructure** for developments (bulk services as well as internal services) prohibits buyers from developing.
- **Red tape** and **restrictive legislation** hinders development opportunities. Statutory processes takes long and sometimes results into missing opportunities to sell or develop property.
- The provision of **affordable housing** within the Theewaterskloof area is a big challenge. There is a vast number of people who falls outside of the qualifying income for the allocation of a RDP house.

Achievements

- 8 Properties were made available for the establishment of crèches in Grabouw.
- Two properties in Botrivier were made available to a Non-profit organisation for the establishment of a **youth centre** as well as a **recycling plant with a swap shop**. The youth of Botrivier will be able to attend developmental workshops at the youth centre, which will also serve as an after care facility. The organisation intends to establish a chef school as well as present music and computer classes at the centre.
- Construction has commenced on the 1st Phase of **Extension 12** in Caledon where **112 walk-up sectional title residential units as well as 97 town houses will be established**. This development will provide much needed housing and give first home owners the opportunity to enter into the market as well as pensioners who wants to scale down to smaller properties.
- Land adjacent to the Caledon Nature Garden was earmarked for the development of tourism related businesses that will help develop the economy of the region as well as create job opportunities.
- 7 Erven in Bergsig Caledon, earmarked for **GAP housing**, were sold to individual buyers. Construction of the housing units is taking place.
- Council has resolved to release land for the construction of a **private hospital** adjacent to the provincial hospital in Caledon. The subdivision of the land is currently in progress. A Traffic Impact

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Assessment that was done indicated that the entrance to the private hospital is too close to the National Road, and therefore a portion of land must be purchased from the state in order to have an acceptable entrance area.

- Council has released land for the development of 73 Industrial properties in Caledon. This will result into the establishment of new businesses over the next 10 to 20 years. Much needed job opportunities will also be created over a long term. The development is currently in the Planning process.
- 8 Properties were sold to the value of R493 000.00.

3.28.2 EMPLOYEES PROPERTY MANAGEMENT AND VALUATIONS

Employees: Property Management					
Job Level	Year 2015/16	Year 2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	-	-	-	-
4 - 6	-	-	-	-	-
7 - 9	1	1	1		0%
10 - 12	1	1	1		0%
13 - 15	1	1	1		0%
16 - 18	-	-	-	-	-
19 - 20	--	-	-	-	-
Total	3	3	3	0	0%

Employees: Valuations					
Job Level	2015/16	Year 2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	-	-	-	-
4 - 6	-	-	-	-	-
7 - 9	-	-	-	-	-
10 - 12	-	-	-	-	-
13 - 15	1	1	1		0%
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	1	1	1	0	0%

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3.28.3 FINANCIAL PERFORMANCE: PROPERTY MANAGEMENT

Financial Performance : Property Services					
Details	Year 2015/16	Year 2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(1 527)	(1 632)	(1 632)	(1 666)	2%
Expenditure:					
Employees	1,469	1,687	1,764	1,815	-3%
Repairs and Maintenance	1,723	1,673	1,960	1,999	-2%
Other	1,560	10,685	6,697	1,694	75%
Total Operational Expenditure	4,752	14,045	10,421	5,509	47%
Net Operational Expenditure	3,225	12,412	8,788	3,843	56%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Adjustment Budget and the Actual divided by the Adjustment Budget.</i>					T3.73.5

3.28.4 CAPITAL EXPENDITURE: PROPERTY MANAGEMENT

Capital Expenditure: Property Services					
Capital Projects	Year 2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	–	780	504	-35%	
Expansion of cemetery, Caledon	–	401	339	-15%	
Expansion of cemetery, G'B	–	379	165	-56%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.73.6

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

The municipality has currently a staff component of 615 officials, who individually and collectively contribute towards the achievement of the municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

4.1.1 EMPLOYEES

Employees					
Description	Year 2015/15	Year 2016/17			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water (Purification and Networks	32	37	35	2	5%
Waste Water (Sanitation - Sewerage Network)	34	60	56	3	5%
Electricity	18	21	21	0	0%
Solid Waste Management	93	102	99	3	3%
Housing	13	15	12	3	20%
Roads (Streets and Storm water)	94	76	75	1	1%
Planning Services (including Building Cont)	11	32	31	1	3%
Local Economic Development	3	3	2	1	33%
Planning (Strategic & Regulatory/IDP)	2	3	2	1	33%
Libraries	30	34	33	1	3%
Valuations	1	1	1	0	0%
Internal Audit	3	3	3	0	0%
Traffic (Including Admin staff)	58	54	46	8	15%
Parks	37	40	37	3	8%
Administration (Including IT and HR)	79	79	79	0	0%
Administration (Technical Services)	9	9	9	0	0%
Disaster Management	1	1	1	0	0%

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Sports & Recreation	1	1	1	0	0%
The Executive	6	6	2	4	67%
Financial Services	65	75	71	4	5%
Totals	590	652	616	35	5%

4.1.2 VACANCY RATE: YEAR 2016/17

Vacancy Rate: Year 2016/17			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	1	100.00
CFO	1	0	0.00
Other S57 Managers (excluding Finance Posts)	4	3	75.00
Other S57 Managers (Finance posts)	0	0	0.00
Police officers	0	0	0.00
Traffic & Law Enforcement	38	1	0.00
Senior management: Levels 13-15 (excluding Finance Posts)	21	0	0.00
Senior management: Levels 13-15 (Finance posts)	7	0	0.00
Highly skilled supervision: levels 9-12 (excluding Finance posts)	64	0	0.00
Highly skilled supervision: levels 9-12 (Finance posts)	15	0	0.00
Total	151	5	3.31

4.1.3 TURN-OVER RATE: YEAR 2016/17

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2013/14	593	47	7.93%
2014/15	608	22	3.62%
2015/16	605	45	7.44%
2016/17	616	22	3.57%

Chapter 4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 MANAGING THE MUNICIPAL WORKFORCE

4.2.1 INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Municipal Systems Act, S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

The Human Resource division comprises of HR Administration Services. This section is responsible for the administration of leave, fringe benefits, medical aid contributions and housing scheme including the Occupational Health and Safety section, as well as the Training and Skills development.

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

4.2.2 HUMAN RESOURCE POLICIES AND PLANS

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Employment Equity Policy	100%		15-Sep-11
2	Medical Assistance for Former Emp	100%		5-May-11
3	EAP Policy	100%		1-Jun-12
4	HIV/Aids Policy	100%		30-Mar-13
5	Leave Policy	100%		1-Apr-13
6	Payment of Travel and Subsistence	100%		23-Jun-16
7	Employment Practice Policy	100%		17-Jun-15
8	Induction Policy	100%		7-Aug-12
9	Policy Use of Protective Equipment	100%		14-Jan-10
10	Sexual Harassment Policy	100%		1-Sep-11
11	Smoking Policy	100%		26-May-08
12	Training Policy	100%		31-Oct-13
13	Bursary Scheme Policy	100%		15-Oct-08
14	Health and Safety Policy	100%		1-May-08
15	Scarce Skills Policy	100%		20-Mar-13
16	Vehicle Allowance Policy	100%		29-Mar-17
17	Appointment of Retired Proff	100%		1-Jul-17
18	Policy Transport Allowance for Councillors	100%		1-Nov-16
19	Cellular Allowance Policy	100%		1-Nov-16
20	Overtime Policy	100%		1-Nov-16
21	Travel and Subsistence Policy	100%		27-Jul-17

Chapter 4

4.2.3 COMMENT ON WORKFORCE POLICY DEVELOPMENT

All HR Policies are discussed by the Policy Working Group that comprises of top Management and representatives from the Unions, where after it is referred to the Local Labour Forum for approval. Good progress is being made with the adoption of HR Policies and procedures, and we are well within our target of adopting at least 2 policies in a year.

4.3 INJURIES, SICKNESS AND SUSPENSIONS

4.3.1 NUMBER AND COST OF INJURIES ON DUTY

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	20	22	110.00%	1.1	R 7 187
Temporary total disablement	11	25	0.00%	2.2	R 3 593
Permanent disablement	0		0.00%	0	R 0.00
Fatal	0	0	0.00%	0	R 0.00
Total	31	47	151.61%	6.2	R 10 780

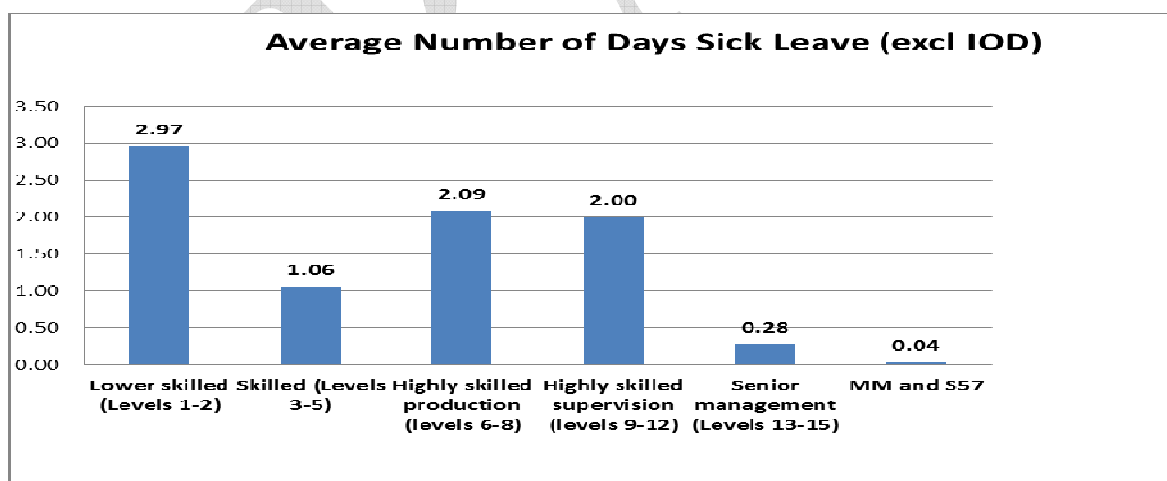
Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

Chapter 4

4.3.2 NUMBER OF DAYS AND COST OF SICK LEAVE (EXCLUDING INJURY ON DUTY)

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	1826.5	25%	172	201	2.97	R 611
Skilled (Levels 3-5)	654	22%	66	72	1.06	R 252
Highly skilled production (levels 6-8)	1284.5	21%	142	164	2.09	R 796
Highly skilled supervision (levels 9-12)	1233.5	18%	120	139	2.00	R 1 351
Senior management (Levels 13-15)	173.5	24%	31	38	0.28	R 312
MM and S57	22	18%	2	2	0.04	R 121
Total	5194	21%	533	616	8.43	R 3 443

4.3.3 AVERAGE NUMBER OF DAYS OF SICK LEAVE (EXCLUDING INJURY ON DUTY)



4.3.4 COMMENT ON INJURY AND SICK LEAVE

The number of days' sick leave taken by employees has service delivery cost implications. The monitoring of sick leave identifies certain pattern or trends. Once these patterns are identified, corrective action can be taken.

Chapter 4

4.3.5 NUMBER AND PERIOD OF SUSPENSIONS

Number and Period of Suspensions					
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised	
General Assistant	Gross Dishonesty	24-Mar-17	Currently charged - Hearing was postpone. A new date will be set for the hearing.	Hearing finalised	not
Law Enforcement Officer	Gross Negligence	30-May-17	Currently charged - Hearing was postpone. A new date will be set for the hearing.	Hearing finalised	not
Storekeeper	Gross Negligence	7-Jul-17	Currently charged - Hearing was postpone. A new date will be set for the hearing.	Hearing finalised	not

In terms of the Disciplinary Code only officials from other departments or from other municipalities can be appointed as Presiding Officers and Employer Representatives. The availability of the officials is a huge problem. There are simply not enough officials with the necessary expertise and knowledge to handle disciplinary hearings.

The Code further states that the Employer Representative must be at a level more senior than the employee(s) who is/are being charged, which makes the "pool" of available officials even smaller.

Another factor is the constant requests for postponements from the Unions. All officials post level T14 to T17 were sent on an Initiator and Chairperson training and hopefully this initiative will speed up the finalization of the disciplinary hearings.

4.3.6 DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
	None		

Chapter 4

4.4 PERFORMANCE REWARDS

4.4.1 PERFORMANCE REWARDS BY GENDER

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 2015/16	Proportion of beneficiaries within group
				R' 000	
Lower skilled (Levels 1-2)	Female				
	Male				
Skilled (Levels 3-5)	Female				
	Male				
Highly skilled production (levels 6-8)	Female				
	Male				
Highly skilled supervision (levels 9-12)	Female				
	Male				
Senior management (Levels 13-15)	Female				
	Male				
MM and S57	Female				
	Male	6	6	R 615	100%
Total		6	6	R 615	100%

4.4.2 COMMENT ON PERFORMANCE REWARDS

The implementation of performance management to lower levels of staff could not be realised due to capacity constraints therefore organisational performance has been implemented.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

Policies for internal bursaries are in place. The training committee which follows a well-organized procedure involving all relevant role-players meets on a monthly basis after the local labour forum meeting. Transparent regulation of all courses involves the unions SAMWU and IMATU in all decision making.

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1) (f) states that as head of administration the Municipal Manager is responsible for the management, utilisation and training of staff.

4.5.1 NUMBER OF SKILLED EMPLOYEES

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 2017	Number of skilled employees required and actual as at 30 June Year 2017											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of Year 2016	Actual: End of Year 2017	Target	Actual: End of Year 2016	Actual: End of Year 2017	Target	Actual: End of Year 2016	Actual: End of Year 2017	Target	Actual: End of Year 2016	Actual: End of Year 2017	Target
MM and s57	Female													
	Male	2				5	2	2				5	2	2
Councillors, senior officials and managers	Female	23				15	15	15				15	15	15
	Male	44				28	28	28				28	28	28
Technicians and associate professionals*	Female	2				1	1	1				1	1	1
	Male	19				21	21	21				21	21	21
Professionals	Female	9				5	5	5				5	5	5
	Male	3				3	3	3				3	3	3
Sub total	Female	34				21	21	21				21	21	21
	Male	68				57	54	54				57	57	57
Total		102				78	75	75				78	78	78
*Registered with professional Associate Body e.g CA (SA)														T4.5.1

Chapter 4

4.5.2 FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipal- ity (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidate d: Total of A and B	Consolidate d: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidate d: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidate d: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	0	0	0			
Chief financial officer	1	0	1	1	1	1
Senior managers	1	0	1	0	1	0
Any other financial officials	8	0	8	0	0	6
Supply Chain Management Officials						
Heads of supply chain management units	0	0				
Supply chain management senior managers	1	0	1			
TOTAL	11	0	11	1	2	7
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						T4.5.2

Chapter 4

4.5.3 SKILLS DEVELOPMENT EXPENDITURE

Skills Development Expenditure										
										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2016/2017							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	0								
	Male	2	0		6000	5090			6000	5090
Legislators, senior officials and managers	Female	23	0		16500	16328			16500	16328
	Male	44	0		65000	60276			65000	60276
Professionals	Female	9	0							
	Male	3	0							
Technicians and associate professionals	Female	2	0							
	Male	19	0		1800	1800			1800	1800
Clerks	Female	132			25000	24624			25000	24624
	Male	53	0		3000	2736			3000	2736
Service and sales workers	Female	6	0		25500	25179			25500	25179
	Male	32	0		26000	25684			26000	25684
Plant and machine operators and assemblers	Female	1	30000	30000	0	0			30000	30000
	Male	45	240000	240000	28000	27805			268000	267805
Elementary occupations	Female	53	24000	24000					24000	24000
	Male	192	266000	266000	20000	18294			286000	284294
Sub total	Female	225	54000	54000	67000	66131			121000	120131
	Male	391	506000	506000	101800	95586			607800	601586
Total		616	560000	560000	168800	161717	0	0	728800	721717
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%*	*R
										T4.5.3

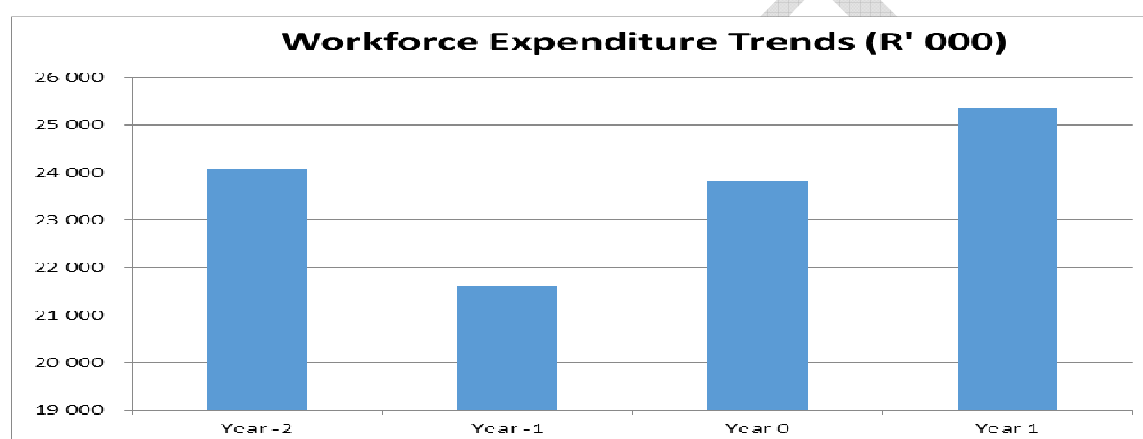
Chapter 4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance (excluding councillor remuneration) for the past three financial years and that the municipality is well within the national norm of between 35 to 40%:

4.6 EMPLOYEE EXPENDITURE

4.6.1 EMPLOYEE EXPENDITURE



Source: MBRR SA22

T 4.6.1

4.6.2 NUMBER OF EMPLOYEES WHOSE SALARIES WERE INCREASED DUE TO THEIR POSITION BEING UPGRADED

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	
	Male	
Skilled (Levels 3-5)	Female	1
	Male	9
Highly skilled production (Levels 6-8)	Female	2
	Male	5
Highly skilled supervision (Levels 9-12)	Female	3
	Male	4
Senior management (Levels 13-16)	Female	1
	Male	
MM and S 57	Female	
	Male	
Total		25

Chapter 4

4.6.3 EMPLOYEES WHOSE SALARY LEVELS EXCEEDED THE GRADE DETERMINED BY JOB EVALUATION

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None				

4.6.4 EMPLOYEES APPOINTED TO POSTS NOT APPROVED

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
None				

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

Component A: Statement of Financial Performance

Component B: Spending Against Capital Budget

Component C: Other Financial Matters

Demographics and Economic Overview of the Municipality

To understand the financial challenges and position of the municipality it is important that one has an understanding of the demographics and economic environment of the region:

- Population of 117 109 (biggest in District) with a growth rate of 6.7%. Population estimated to 125 505 by the 2023.
- Highest % of age population falls in the age group 30-34 for both males and females (indicative of the size of economically active people)
- Approximately 57.6per cent of households in Theewaterskloof fall within the low income bracket, of which 11.8 per cent have no income.
- The economy of TWK on net employment, 5 381 jobs have been lost since 2005 - not all of the jobs lost prior to and during the recession have been recovered.
- The Municipality employed 45.8 per cent (57 518 labourers) of the Overberg District's labour force in in 2015, and experienced a moderate employment growth of 1.7per cent per annum since 2005, which was below the overall district employment growth rate of 2.2per cent per annum.
- Theewaterskloof comprised R5.401 billion (or 40.51per cent) of the Districts total R13.33billion GDP at the end of 2015. GDP growth averaged 4.46per cent per annum over the period 2005 –2015. This is above the District average of 3.96 per cent.
- Theewaterskloof's Commercial services is the largest employer in the Municipality, This sector employed 37.4 per cent of the municipality's workforce (making it the largest employer)

Three larger employment sectors in TWK are as follows:

- Commercial services encompass the wholesale & retail trade, catering & accommodation, transport, storage & communication and finance, insurance, real estate & business services industries. (37.4%)
- Agriculture, fishing and forestry (16%)
- Manufacturing (13.1%)

During yet another tough economic year, the municipality had to continue to introduce initiatives to handle and deal with price increase, especially those attributable to inflationary increases. The municipality continued to strengthen its stance on decreasing/eliminating non-essential spending.

Chapter 5

Looking at the future the municipality identified several key matters to be dealt with in 2016/2017:

- Financial Reform, reducing subsidization of rate funded services by trading surpluses. This process are to be phased in over financial years, depending on the financial position of the municipality. .
- Operational input costs, such as bulk water, personnel costs, fuel and bulk electricity, ` exceeding the inflation rate.
- Drastic rates and tariff increases to address the threats.
- Cash funded reserves, improving the capital replacement reserve.
- Municipal sustainability considerations versus the affordability of the Municipal bill.
- An indigent population of 53% and increased pressure on those who carries the bulk of the municipal bill.
- National Grants funds for services and capital projects in previously disadvantaged areas.
- Improved debt collection remains key the success of remaining financial viable and therefor remains at the fore front of focus areas.

The municipality performed in 2016/17 when comparing to financial achievements to the previous financial year (2015/16). The following achievements during the financial year should be highlighted:

- A clean audit was achieved for the first time in 2012/13 which is proof of sound financial practices and principles. Only 30 (12 in the Western Cape) municipalities from a total of 278 had obtained this achievement nationally. The municipality managed to sustain the clean audit outcome both in 2013/14, 2014/15, 2015/16 and 2016/17.
- The collection rate has decreased insignificantly from 89% in 2016 to 88% in 2017.
- The Current Ratio improved from 1.02:1 (2016) to 1.4:1 in (2017).
- Capital replacement reserve has increase from R 8,599m in 2016 to R 13,385m in 2017.
- Capital spending: Despite being rated one of the least financial viable municipalities TWK over the last 10 years invested R649m in capital assets and infrastructure.
- TWK has posted annual Accounting Surpluses with the exception of a deficit in 2011/12 for the last 13 financial years. The surplus realized in 2017 amounts to R 49, 291m.
- TWK has been able to manage its credit score within the BBB Band for more than 11 years.
- Efficient costing of services and projects by identifying and managing the cost drivers.
- Active use of forecasts and projections to manage cash flow efficiently.
- Active monitoring of income and expenditure against pre-determined budget targets/projections.
- Set financial benchmarks and monitor performance against them.

Chapter 5

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary						
Description	2015/16 Actual	2016/17		Actual	2016/17 Variance	
		Original Budget	Adjusted Budget		Original Budget	Adjustments Budget
Financial Performance						
Property rates	75,778	83,766	83,267	85,873	2.52%	3.13%
Service charges	176,342	179,739	191,144	193,926	7.89%	1.46%
Investment revenue	7,323	5,000	5,500	7,323	46.46%	33.15%
Transfers recognised - operational	128,047	130,563	124,996	95,491	-26.86%	-23.60%
Other own revenue	63,061	47,237	43,068	60,839	28.80%	41.26%
Total Revenue (excluding capital transfers and contributions)	450,551	446,305	447,975	443,453	-0.64%	-1.01%
Employee costs	150,283	171,730	166,177	162,337	-5.47%	-2.31%
Remuneration of councillors	8,939	10,990	10,416	9,987	-9.13%	-4.13%
Depreciation & asset impairment	24,695	27,263	26,252	23,097	-15.28%	-12.02%
Finance charges	19,081	12,762	15,462	18,798	47.30%	21.58%
Materials and bulk purchases	62,105	67,129	67,129	67,126	-0.01%	-0.01%
Transfers and grants	1,214	1,500	2,300	2,285	52.34%	-0.65%
Other expenditure	173,209	177,074	181,061	149,093	-15.80%	-17.66%
Total Expenditure	439,527	468,448	468,797	432,724	-7.63%	-7.69%
Surplus/(Deficit)	11,024	(22 143)	(20 822)	10,729	-148.45%	-151.53%
Transfers recognised - capital	33,353	34,366	38,147	38,416	11.79%	0.70%
Contributions recognised - capital & contributed assets	—	—	—	147	—	—
Surplus/(Deficit) after capital transfers & contributions	44,377	12,222	17,325	49,292	303.30%	184.51%
Share of surplus/ (deficit) of associate	—	—	—	—	—	—
Surplus/(Deficit) for the year	44,377	12,222	17,325	49,292	303.30%	184.51%
Capital expenditure & funds sources						
Capital expenditure	65,231	58,031	71,646	63,010	8.58%	-12.05%
Transfers recognised - capital	36,710	34,366	39,814	38,818	12.96%	-2.50%
Public contributions & donations	—	—	—	—	—	—
Borrowing	7,456	11,359	13,789	11,905	4.81%	-13.67%
Internally generated funds	21,065	12,307	18,043	12,288	-0.15%	-31.90%
Total sources of capital funds	65,231	58,031	71,646	63,010	8.58%	-12.05%
Financial position						
Total current assets	109,142	47,668	99,565	114,701	140.63%	15.20%
Total non current assets	755,983	1016,276	796,451	795,203	-21.75%	-0.16%
Total current liabilities	106,556	70,440	115,093	81,827	16.17%	-28.90%
Total non current liabilities	178,143	233,513	189,037	198,358	-15.05%	4.93%
Community wealth/Equity	580,427	759,991	591,886	629,718	-17.14%	6.39%
Cash flows						
Net cash from (used) operating	60,819	35,136	52,749	76,981	119.10%	45.94%
Net cash from (used) investing	(65 569)	(65,488)	(69,263)	(62 021)	-5.29%	-10.46%
Net cash from (used) financing	(7 270)	3,981	6,561	(7 079)	-277.82%	-207.89%
Cash/cash equivalents at the year end	56,442	24,556	46,489	64,323	161.94%	38.36%
Cash backing/surplus reconciliation						
Cash and investments available	56,442	34,388	57,215	64,323	87.05%	12.42%
Application of cash and investments	56,442	33,182	21,604	64,323	93.85%	197.74%
Balance - surplus (shortfall)	—	1,206	35,611	—	-100.00%	-100.00%
Asset management						
Asset register summary (WDV)	727,354	1006,444	767,824	774,328	-23.06%	0.85%
Depreciation & asset impairment	24,695	27,263	26,252	23,097	-15.28%	-12.02%
Renewal of Existing Assets	23,867	21,060	27,352	23,729	12.67%	-13.25%
Repairs and Maintenance	23,837	26,557	29,518	27,370	3.06%	-7.28%
Free services						
Cost of Free Basic Services provided	16,564	22,486	18,681	20,381	-9.36%	9.10%
Revenue cost of free services provided	1,496	,902	1,400	1,356	50.44%	-3.12%
Households below minimum service level						
Water:	—	—	—	,5	—	—
Sanitation/sewerage:	—	—	—	,6	—	—
Energy:	,1	,1	—	,1	—	—
Refuse:	,0	—	—	—	—	—
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1						

T5.1.1

Chapter 5

Financial Performance of Operational Services						
R '000						
Description	2015/16	2016/17			2016/17 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Service						
Water Distribution	(12 873)	(9 239)	(12 402)	(26 417)	186%	112.99%
Waste Water Management	(1 990)	(1 713)	1146	(749)	-56%	-165.38%
Electricity Distribution	(18 777)	(16 924)	(18 560)	(16 133)	-5%	-13.08%
Solid Waste Management	12,825	(3 582)	13,861	9 698	-371%	-30.03%
Housing Services	(2 266)	(1 389)	(1 516)	(6 453)	365%	325.58%
Component A: sub-total	(23 081)	(32 847)	(17 472)	(40 054)	22%	129.25%
Roads Services	22,195	28,287	22,170	24,455	-14%	10.30%
Transport	–	–	–	–	–	–
Component B: sub-total	22,195	28,287	22,170	24,455	-14%	10.30%
Planning	5,943	10,055	8,709	6,315	-37%	-27.50%
Local Economic Development	1,725	2,970	2,707	1,024	-66%	-62.16%
Component C: sub-total	7,668	13,025	11,416	7,339	-44%	-35.71%
Community & Social Services	(1 082)	153	,155	(922)	-701%	-696.53%
Environmental Protection	2	40	0	0	-100%	-41.05%
Health	–	–	–	–	–	–
Public Safety	9 568	10,928	16,729	16,755	53%	0.16%
Sport and Recreation	7,612	8,790	8,206	7,772	-12%	-5.28%
Corporate Policy Offices and Other	49,375	65,658	64,869	52,894	-19%	-18.46%
Component D: sub-total	65,474	85,570	89,959	76,500	-11%	-14.96%
Net Total Expenditure	72,257	94,035	106,073	68,239	-27%	-35.67%
In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget divided by the original/adjustments budget.						T5.1.2

Chapter 5

5.2 GRANTS

Grant Performance						
Description	2015/16	2016/17		2016/17 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants				-		
National Government:	100 595	104 294	104 241	101 962		
Equitable share	63 908	69 861	69 861	69 133	-1%	-1%
Municipal Systems Improvement	930	-	-	-	#DIV/0!	#DIV/0!
Municipal Disaster Recovery	946	-	-	-	#DIV/0!	#DIV/0!
Local Government Financial Management Grant (FMG)	1 124	1 426	1 426	1 625	14%	14%
Municipal Infrastructure Grant (MIG)	25 622	22 109	22 109	20 885	-6%	-6%
National Electrification Programme	4 753	5 702	5 702	5 702	0%	0%
Expanded public works programme (EPWP)	1 148	1 104	1 051	1 049	-5%	0%
Regional Bulk Infrastructure Grant	2 164	-	-	-	#DIV/0!	#DIV/0!
VAT on grants	-	4 092	4 092	3 568	-13%	-13%
Neighbourhood Development Programme Grant	-	-	-	-	#DIV/0!	#DIV/0!
Provincial Government:	59 414	59 674	53 232	46 004		
Health subsidy	-	-	-	-		
Housing	50 823	51 577	43 432	37 054	-28%	-15%
Municipal Infrastructure Support Grant	-	-	-	-		
Sports and Recreation	-	-	-	-		
Financial Management Support Grant	824	-	527	527		0%
CDW Operational Support Grant	158	113	114	122	8%	7%
Maintenance of proclaimed main roads	82	117	117	5	-96%	-96%
Library Service conditional Grant	6 740	7 535	7 924	7 950	6%	0%
Violence Prevention through Urban Upgrading	500	-	-	-	#DIV/0!	#DIV/0!
Thusong Service Centres Grant	286	212	238	225	6%	-5%
Municipal Capacity Building Grant	-	120	820	120	0%	-85%
Spartial Development Framework	-	-	-	-	#DIV/0!	#DIV/0!
LG Graduate Internship Grant	-	-	60	-	#DIV/0!	-100%
District Municipality:	-	-	-	-	-	-
<i>[insert description]</i>					0%	0%
					0%	0%
Other grant providers:	1 390 370	960	8 213	2 920	-2	1
DBSA GIS	-	-	-	-		
IDC	50	-	162	-	#DIV/0!	-100%
DBSA LEDI	-	-	1 778	1 544	#DIV/0!	-13%
HAN	1 014	105	795	947	802%	19%
SETA	326	855	855	277	-68%	-68%
SANRAL	-	-	4 623	153	#DIV/0!	-97%
Total Operating Transfers and Grants	161 399	164 928	165 685	150 885		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T5.2.1

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COMMENT ON OPERATING TRANSFERS AND GRANTS:

28% of Theewaterskloof's Total Revenue was derived from government grant and subsidies in 2016/17; indicating the Municipality's reliance on Grants and Subsidies. During the 2016/17 financial year the municipality received a total of R 150,885m. Provincial transfers of R 46, 004, national grants amounting to R 101, 962m and R 2,920m from other grant funders make up the total amount of grant funding received during the 2016/17 financial year. Total operating grant expenditure for the corresponding period amounts to R 111, 918m. The largest transfer received was received in the form of equitable share (R69, 1m) and municipal infrastructure grant (R 20,8m). The biggest spending variances on operating grants were on the following grants:

LG Graduate Internship Grant 100%
Municipal Capacity Building Grant 85%
Maintenance of proclaimed main roads 96 %

5.2.2

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Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant 2015/16	Actual Grant 2016/17	2016/17 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
SETA	(326)	277				Skills Development
HAN	(582)	891				Youth Development
DBSA LED	(1 450)	-				Local Economic Development
SANRAL	-	-				Infrastructure - Road transport
Foreign Governments/Development Aid Agencies						
Private Sector / Organisations						
Provide a comprehensive response to this schedule						T5.2.3

CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

The municipality received a total of R 1,168m from Donors other than the division of revenue act. The HAN grant gives students from abroad the opportunity to engage with previously disadvantaged communities and launch projects aimed at uplifting these communities. SETA is utilised from skills development and training within the organisation.

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5.3 ASSET MANAGEMENT

Overview

Theewaterskloof Municipality have a centralised Asset Management Unit based in Caledon. The unit is responsible for all assets related functions throughout the entire region consisting of eight (8) towns.

Key Element from the Asset Management Policy (AMP)

The proper utilization and management of assets is one of the prime mechanisms by which a municipality can fulfil its constitutional objectives for:

- Delivery of sustainable services;
- Promotion of Social and economic development
- Promoting a safe and healthy environment and;
- Providing for the basic needs to the community.
- The municipality has a legal and moral obligation to ensure it implements policies to provide for the effective and efficient usage of its assets over the useful life thereof.
- The asset management policy deals with the municipal rules required to ensure the enforcement of appropriate stewardship of assets.
- Stewardship has three components being the:
 - Management, utilization and control by the Municipal Officials.
 - Financial administration by the Chief Financial Officer, and
 - Physical administration by the Manager: Assets & Insurance
- Statutory provisions exist to protect public property against arbitrary and inappropriate management or disposal by a local government.
- Accounting standards are set to ensure the appropriate financial treatment for property, plant and equipment. The requirements of these accounting standards include:
 - The compilation of asset registers recording all assets controlled by the municipality.
 - Accounting treatment for the acquisition, disposal, recording and depreciation of property, plant and equipment.
 - The standards to which these financial records must be maintained.

The Municipal Manager is responsible for the management of the assets of the municipality, including the safeguarding and the maintenance of those assets.

- The Municipal Manager must take all reasonable steps to ensure that:
- The municipality has and maintains a management, accounting and information system that records all the assets of the municipality;
- The municipality's assets are valued in accordance with recognised standards as prescribed by statutes and/or regulations;
- That the municipality has and maintains a system of internal control of assets, including an asset register; and
- That Senior Management comply with this policy.

The Chief Financial Officer is responsible to the Municipal Manager to ensure that the financial investment in the municipalities' assets is properly recorded.

- The Chief Financial Officer must take all reasonable steps to ensure that
- Appropriate systems of financial management and internal controls are established and carried out diligently;
- The financial and other resources of the municipality are utilized effectively, efficiently, economically and transparently;

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- Any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented
- The systems, processes and registers required to substantiate the financial values of the municipality's assets are maintained to standards sufficient to satisfy the requirements of all statutes;
- Financial processes are established and maintained to ensure the municipality's financial resources are optimally utilized through appropriate asset plans, budgeting, purchasing, maintenance and disposal decisions;
- The Municipal Manager is appropriately advised on the exercise of powers and duties pertaining to the financial administration of assets;
- The Directors and senior management teams are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets;
- The Chief Financial Officer may delegate or otherwise assign responsibility for performing these functions but will remain accountable for ensuring these activities are performed

The Directors must take all reasonable steps to ensure that:

- Appropriate systems of physical management and controls are established and carried out for assets in their areas of responsibility;
- The municipal resources assigned to them are utilized effectively, efficiently, economically and transparently;
- The assets under their control are appropriately safeguarded and maintained to the extent necessary and that risk management systems are in place and applied;
- Any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;
- The asset management systems and controls can provide an accurate, reliable and up to date record of assets under their control.
- They are able to justify that their asset plans, budgets, purchasing, maintenance and disposal decisions optimally achieve the municipality's strategic objectives.
- The purchase of assets complies with all municipal policies and procedures.
- All moveable property, plant and equipment is duly processed and identified and inspected as being in order before it is received into their stewardship.
- All moveable assets received into their stewardship are appropriately safeguarded against inappropriate use or loss. This will include control over the physical access to these assets and regular stock takes to ensure that no losses have occurred. Any known losses should be immediately reported to the Chief Financial Officer.
- Assets are appropriately utilized for the purpose for which the municipality acquired them.

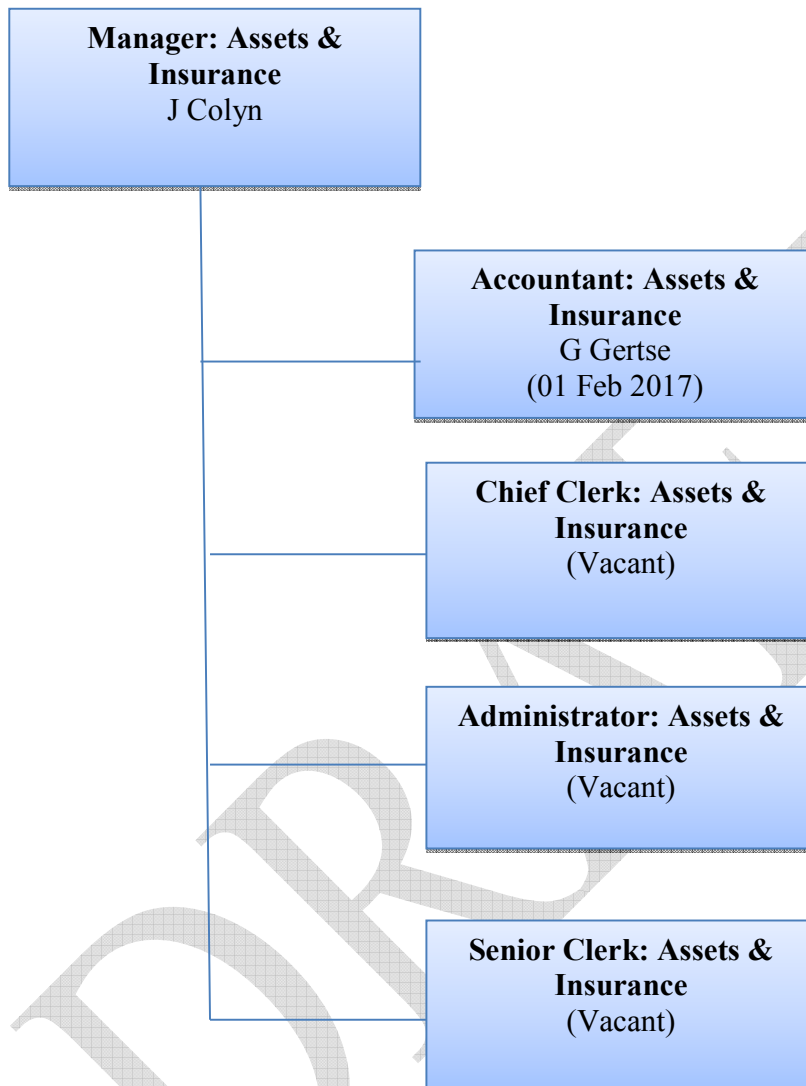
The Director may delegate or otherwise assign responsibility for performing these functions but will remain ultimately accountable for ensuring these activities are performed

Asset Management Unit (AMU)

The organogram extract of the AMU on the next page represent the current human resource allocation

There are currently no capacity development initiatives in terms of the AMU

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TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2016/17			R'000
Asset 1			
Name	Replacing bulk sewer pipe line		
Description	Replacing of existing bulk sewer pipe line between Caledon/Myddleton and the Waste Water Treatment Works		
Asset Type	Fixed Asset		
Key Staff Involved	N Kayser		
Staff Responsibilities	Project Management		
Asset Value	`2014/15	`2015/16	2016/17
			14,035
Capital Implications	Maintenance cost and financing		
Future Purpose of Asset	To make provision for treatment of waste water		
Describe Key Issues	Fast growing community		
Policies in Place to Manage Asset	Assest Management Policy		
Asset 2			
Name	Electrification		
Description	Electrification of Santa in Caledon		
Asset Type	Fixed Asset		
Key Staff Involved	F Du Toit		
Staff Responsibilities	Project Management		
Asset Value	`2014/15	`2015/16	2016/17
			6,318
Capital Implications	Maintanance cost and financing		
Future Purpose of Asset	To make provision for electricity		
Describe Key Issues	Fast growing community		
Policies in Place to Manage Asset	Assest Management Policy		
Asset 3			
Name	New bulk sewer system		
Description	New bulk sewer system for the proposed low-cost development at Destiny Farm		
Asset Type	Fixed Asset		
Key Staff Involved	N Kayser		
Staff Responsibilities	Project Management		
Asset Value	`2014/15	`2015/16	2016/17
			4,366
Capital Implications	Maintanance cost and financing		
Future Purpose of Asset	To make provision for sewerage network for new Housing Develop		
Describe Key Issues	Fast growing community		
Policies in Place to Manage Asset	Assest Management Policy		
			T5.3.2

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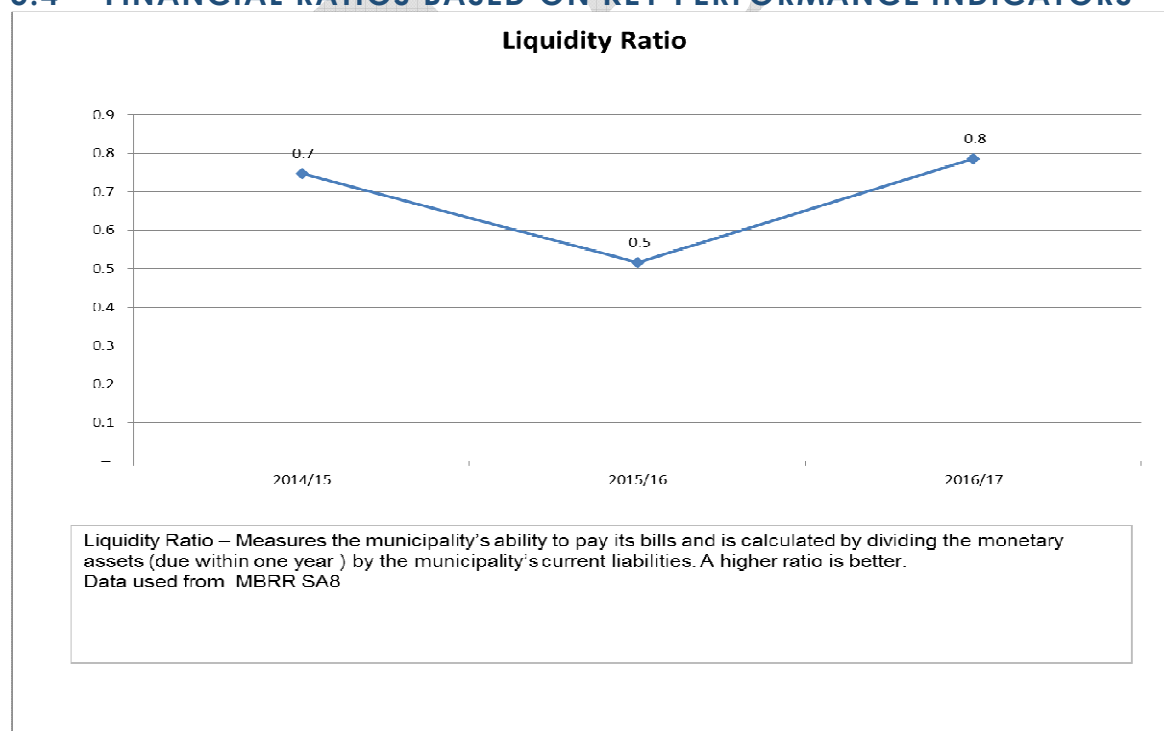
Repair and Maintenance Expenditure: 2016/17				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	26,557	29,518	27,370	7.28%
				T5.3.4

REPAIRS AND MAINTENANCE EXPENDITURE:

The introduction of mSCOA in 2017/18 will bring this allocation closer to the National Treasury guideline of 8% as per Circular 71 of January 2017 against carrying value of assets. During the 2016/17 financial year the municipality's total expenditure on repairs and maintenance amounted to R 27, 3 million representing 6.3% of total operating expenditure. This is a 14, 8% increase from 2015/16 when the municipality spent R 23.8m on repairs and maintenance.

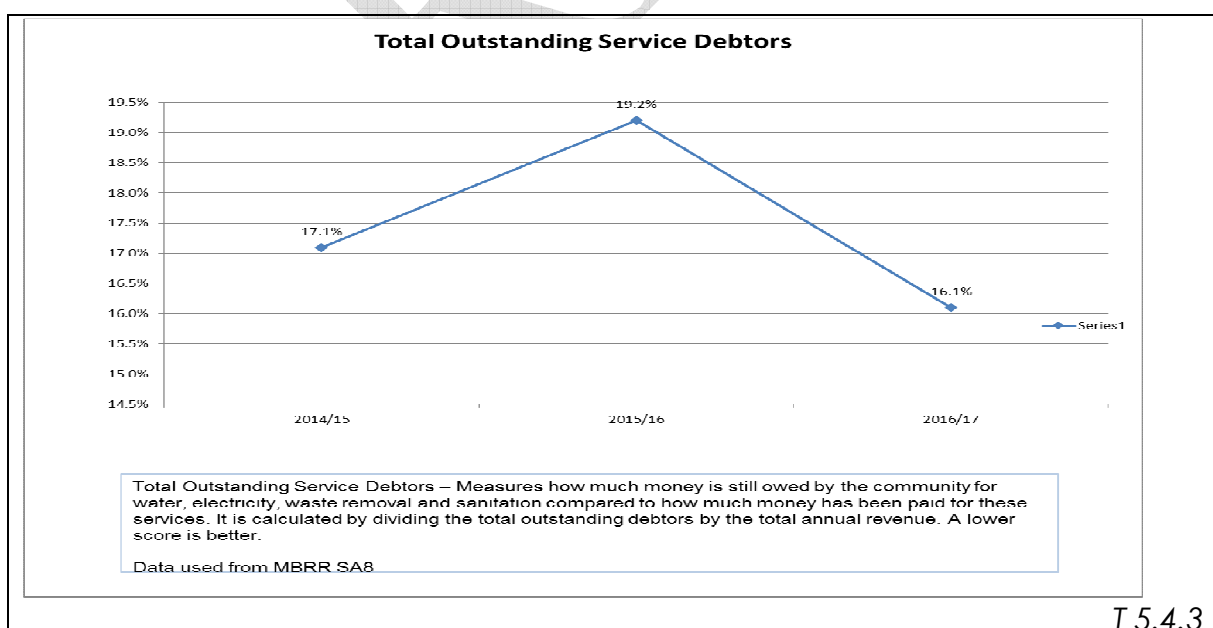
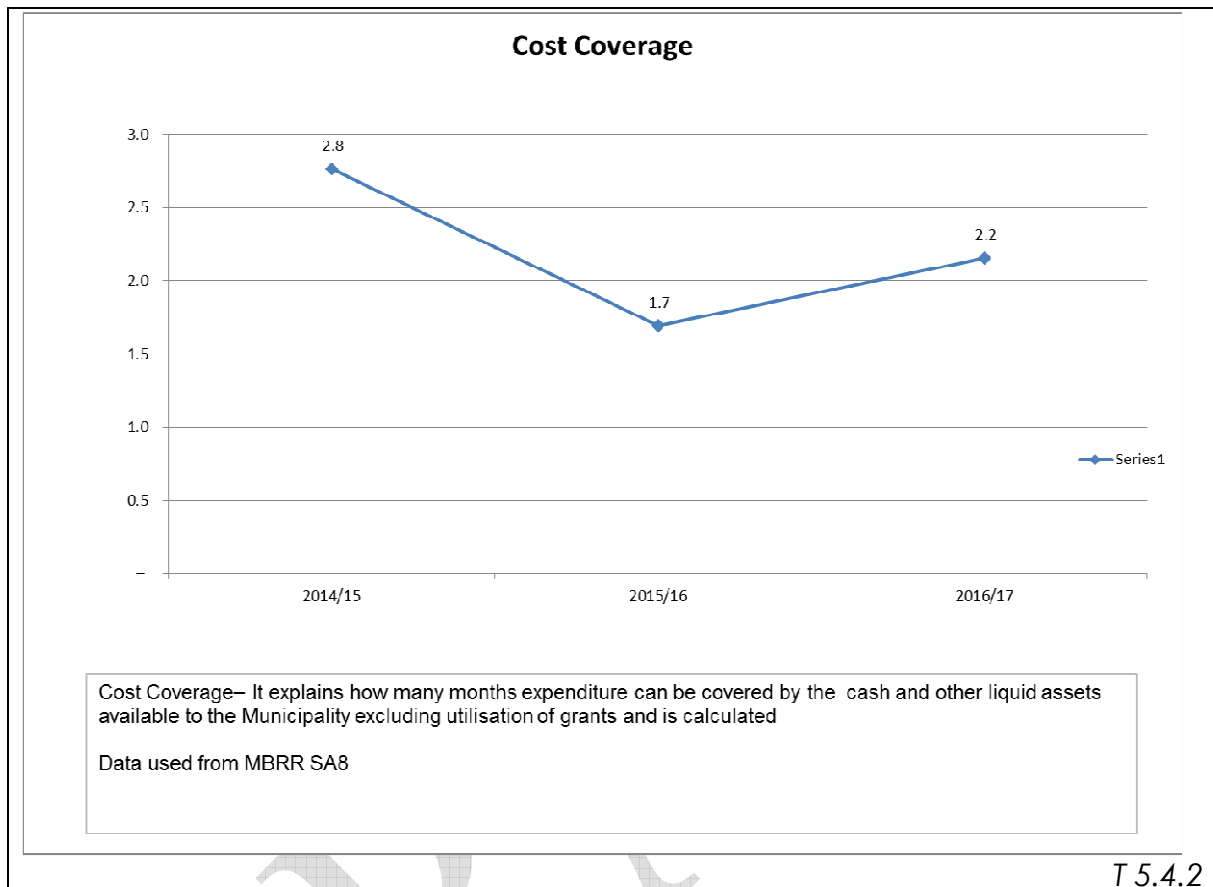
This is prove that the municipality acknowledges the importance of spending on maintenance to ensure asset function optimally and reach their expected useful life. The municipality's first priority however is to ensure that day to day service delivery proceed undisturbed and has managed to do so within the limits of the budget. A rapid year on year increase in repairs and maintenance expenditure could have negative consequences such as cash shortages that in turn could hamper essential service delivery. Routine maintenance was however performed as planned.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



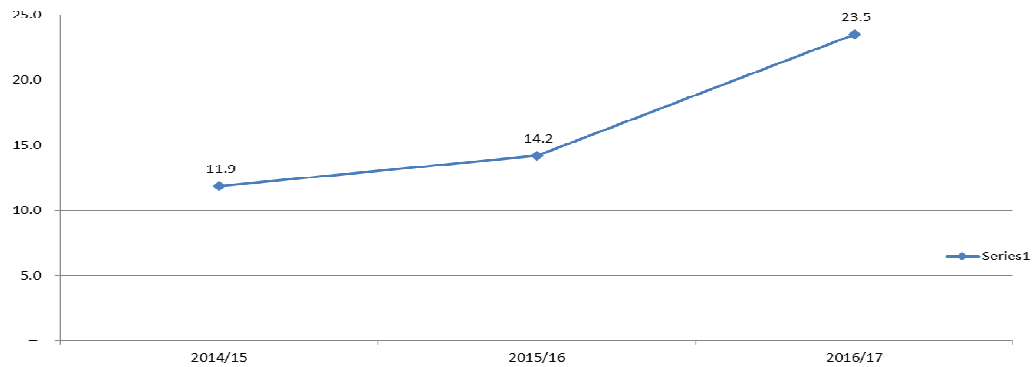
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Debt Coverage

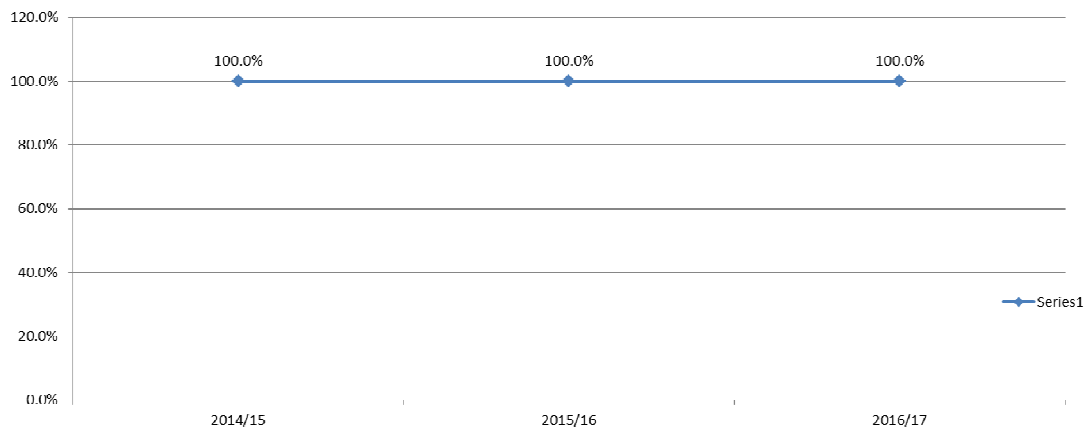


Debt Coverage— The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

T 5.4.4

Creditors System Efficiency



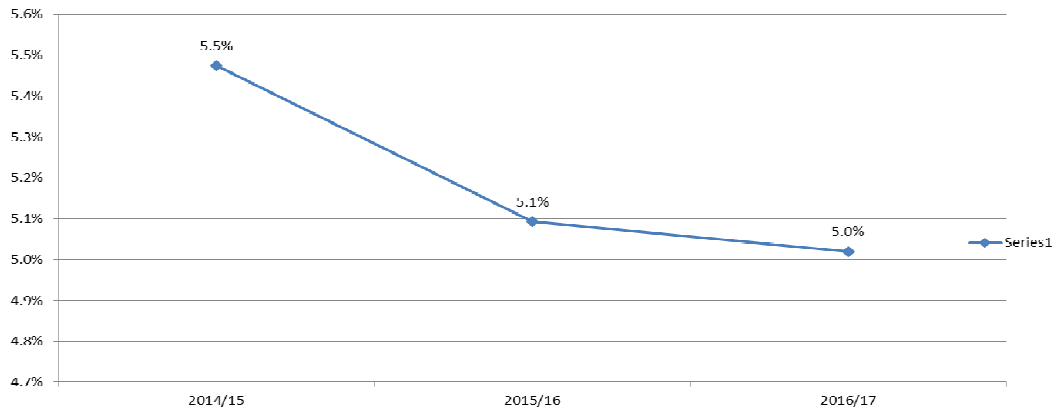
Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T 5.4.5

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Capital Charges to Operating Expenditure

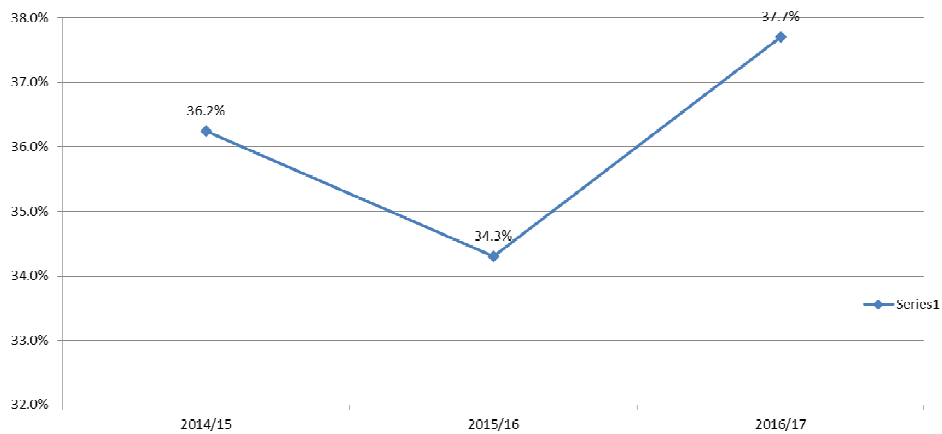


Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T 5.4.6

Employee Costs

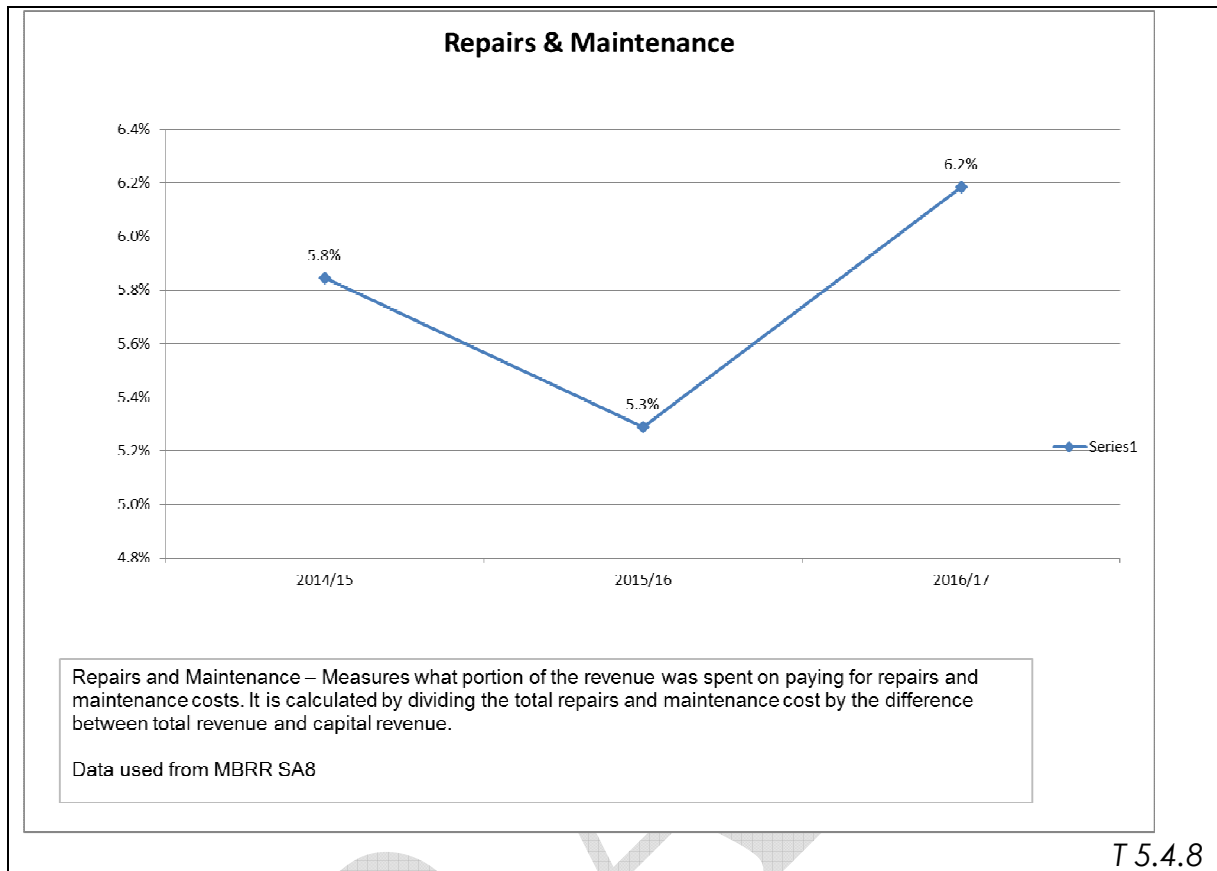


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

T 5.4.7

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COMMENT ON FINANCIAL RATIOS:

The result of the ratio between Current Assets and Current Liabilities reflects directly on the management of Theewaterskloof's liquidity position. At the very minimum the current assets should at least cover current liabilities at a ratio of 1:1 and for a healthy position the ratio should exceed 2:1. Theewaterskloof's liquidity ratio remained relatively constant over the last three financial years.

The ratio is below satisfactory level of 1.2:1 and it is important for Theewaterskloof to carefully manage the increases in Creditors and Short Term Provisions and in turn make the necessary cash provisions in order to be in a position to fulfil its short term obligations in the future.

The cost coverage ratio indicates the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month. The norm set by National Treasury is that a municipality should have between one and three months cash to cover its monthly fixed expenses. Theewaterskloof's cost coverage position in 2014/15 and 2016/17 indicated cash available for more than two months, while having 1.7 months cash available in 2015/16.

The debt coverage ratio increased from 14.2 in 2015/16 to 23.5 in 2016/17.

Theewaterskloof always ensure compliance with the MFMA requirement that all creditors must be paid within 30 days. When a municipality struggles to pay all creditors within 30 days it could be an indication of liquidity challenges and failing to pay creditors on time could result

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in fruitless and wasteful expenditure in the form of interest and could negatively affect service delivery as suppliers will become reluctant to transact with the municipality.

Capital Charges: This ratio showed a positive decline from 5.1% in 2015/16 to 5% 2016/17 a result of the municipality's management and awareness of the cost of borrowing. See financial health overview for comments relating to employee expenditure as well as expenditure on repairs and maintenance.

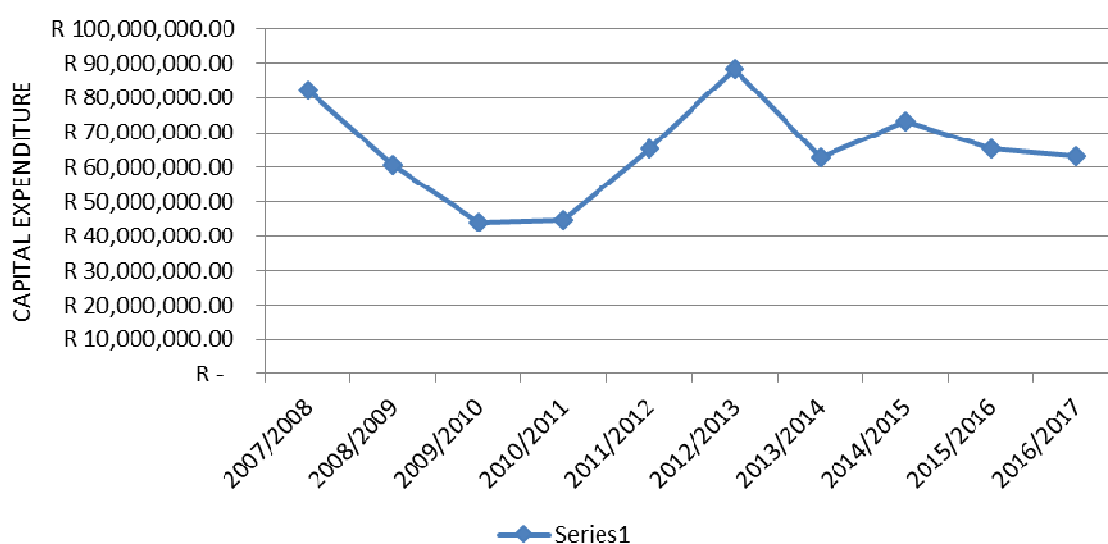
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. The municipality recently adopted its long-term financial plan. One of the main focus of the plan was to identify future capital needs (demand) and the funding sources thereof (affordability). As indicated by the table below the municipality has shown tremendous growth in its capital expenditure and percentage of capital budget spent.

Over the last 10 years the municipality has invested R649 m into capital assets. The municipality nevertheless face tough challenges over the coming 10 years as illustrated in the long term financial plan. The financial year 2012/13 remains the municipalities highlight in terms of capital expenditure illustrating that the municipality has the institutional ability to handle large capital projects.

CAPITAL EXPENDITURE PER FINANCIAL YEAR



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In 2016/17 Theewaterskloof municipality budgeted R58, 031m for capital expenditure. This was then adjusted to R71, 646m. The actual capital expenditure for the year 2016/17 amounted to R63, 010 m, effectively meaning that 88% of the capital budget was spent.

The funds not spend was largely due to the following projects:

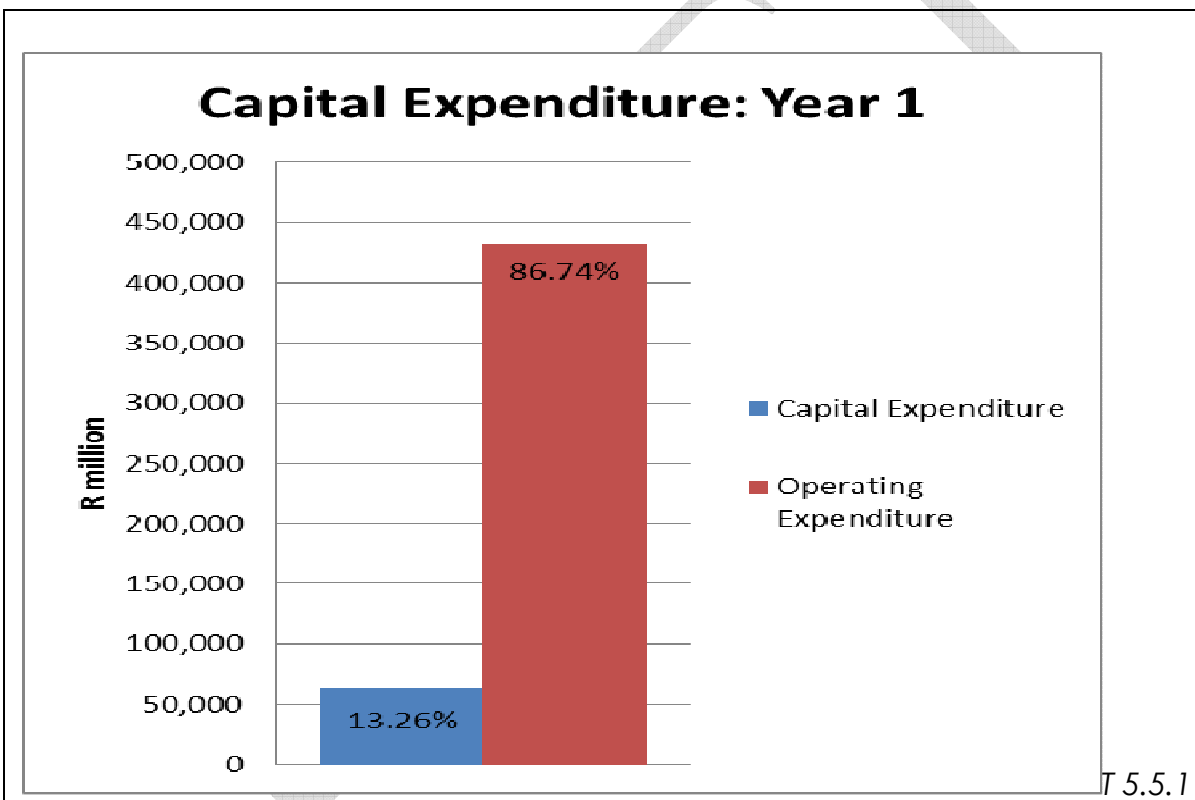
Grabouw pick up and drop off zone: R 4,470m

Steenbras Reservoir: R1, 017m

Upgrade waste transfer water treatment works: R 1,909m

Upgrade of Fleet: R979 490

5.5 CAPITAL EXPENDITURE



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R million	Original Budget	Adjustment Budget	Audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	58,031	71,646	63,010	-8.6%	12.1%
	58,031	71,646	63,010	-8.6%	12.1%
Operating Expenditure	468,448	468,797	432,724	7.6%	7.7%
	468,448	468,797	432,724	7.6%	7.7%
Total expenditure	526,479	540,443	495,734	5.8%	8.3%
Water and sanitation	29,746	35,678	30,619	-2.9%	14.2%
Electricity	11,564	11,780	11,371	1.7%	3.5%
Housing	7,213	6,688	11,395	-58.0%	-70.4%
Roads, Pavements, Bridges and storm water	1,526	5,174	696	54.4%	86.6%
Other	7,982	12,324	8,931	-11.9%	27.5%
	58,031	71,646	63,010	-8.6%	12.1%
External Loans	11,359	13,789		100.0%	100.0%
Internal contributions	12,307	31,832	24,193	-96.6%	24.0%
Grants and subsidies	34,366	39,814	38,818	-13.0%	2.5%
Other					
	58,031	85,435	63,010	-8.6%	26.2%
External Loans	11,359	13,789	0	100.0%	100.0%
Grants and subsidies	34,366	39,814	38,818	-13.0%	2.5%
Investments Redeemed					
Statutory Receipts (including VAT)					
Other Receipts	12,307	31,832	24,193	-96.6%	24.0%
	58,031	85,435	63,010	-8.6%	26.2%
Salaries, wages and allowances					
Cash and creditor payments					
Capital payments	58,031	71,646	63,010	-8.6%	12.1%
Investments made					
External loans repaid					
Statutory Payments (including VAT)					
Other payments					
	58,031	71,646	63,010	-8.6%	12.1%
	Original Budget	Adjustment Budget	Audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Property rates	83,766	83,267	85,873	-2.5%	-3.1%
Service charges	179,739	191,144	193,926	-7.9%	-1.5%
Other own revenue	52,237	48,568	68,309	-30.8%	-40.6%
Grants & subsidies	130,563	124,996	95,491	26.9%	23.6%
	446,305	447,975	443,600	0.6%	1.0%
Employee related costs	171,730	166,177	162,337	5.5%	2.3%
Provision for working capital	0	0	0		
Repairs and maintenance	26,557	29,518	27,370	-3.1%	7.3%
Bulk purchases	67,129	67,129	67,126	0.0%	0.0%
Other expenditure	203,032	205,973	175,891	13.4%	14.6%
	468,448	468,797	432,724	7.6%	7.7%
Service charges: Electricity	78,184	79,248	80,098	-2.4%	-1.1%
Grants & subsidies: Electricity	3,156	4,500	2,449	22.4%	45.6%
Other revenue: Electricity	0	0	0		
	81,340	83,748	82,546	-1.5%	1.4%
Employee related costs: Electricity	5,498	5,856	5,731	-4.2%	2.1%
Provision for working capital: Electricity	0	0	0		
Repairs and maintenance: Electricity	1,758	1,388	1,263	28.2%	9.0%
Bulk purchases: Electricity	54,339	54,339	54,774	-0.8%	-0.8%
Other expenditure: Electricity	6,686	7,421	7,311	-9.4%	1.5%
	68,281	69,004	69,079	-1.2%	-0.1%
Service charges: Water	52,817	59,743	59,575	-12.8%	0.3%
Grants & subsidies: Water	6,050	2,400	2,604	57.0%	-8.5%
Other revenue: Water	1	1	1	3.8%	-8.1%
	58,868	62,144	62,180	-5.6%	-0.1%
Employee related costs: Water	8,896	9,247	9,449	-6.2%	-2.2%
Provision for working capital: Water	0	0	0		
Repairs and maintenance: Water	3,433	3,462	3,661	-6.7%	-5.8%
Bulk purchases: Water	12,790	12,790	12,352	3.4%	3.4%
Other expenditure: Water	17,410	23,771	22,252	-27.8%	6.4%
	42,528	49,270	47,714	-12.2%	3.2%
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5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources Year 2015 to 2017						
R' 000						
Details	2015/16	2016/17				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans		11,359	13,789		21.40%	-100.00%
Public contributions and donations						
Grants and subsidies	36,710	34,366	39,814	38,818	15.85%	12.96%
Other	28,521	12,307	18,043	24,193	46.61%	96.58%
Total	65,231	58,031	71,646	63,010	83.86%	9.54%
Percentage of finance						
External loans	0.0%	19.6%	19.2%	0.0%	25.5%	-1048.3%
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants and subsidies	56.3%	59.2%	55.6%	61.6%	18.9%	135.8%
Other	43.7%	21.2%	25.2%	38.4%	55.6%	1012.5%
Capital expenditure						
Water and sanitation	9,581	29,746	35,678	30,619	19.94%	2.93%
Electricity	12,756	11,564	11,780	11,371	1.87%	-1.67%
Housing	7,069	7,213	6,688	11,395	-7.27%	57.98%
Roads and storm water	3,518	1,526	5,174	,696	239.02%	-54.42%
Other	32,307	7,982	12,324	8,931	54.39%	11.88%
Total	65,231	58,031	71,646	63,010	307.96%	16.70%
Percentage of expenditure						
Water and sanitation	14.7%	51.3%	49.8%	48.6%	6.5%	17.6%
Electricity	19.6%	19.9%	16.4%	18.0%	0.6%	-10.0%
Housing	10.8%	12.4%	9.3%	18.1%	-2.4%	347.1%
Roads and storm water	5.4%	2.6%	7.2%	1.1%	77.6%	-325.8%
Other	49.5%	13.8%	17.2%	14.2%	17.7%	71.1%
T5.6.1						

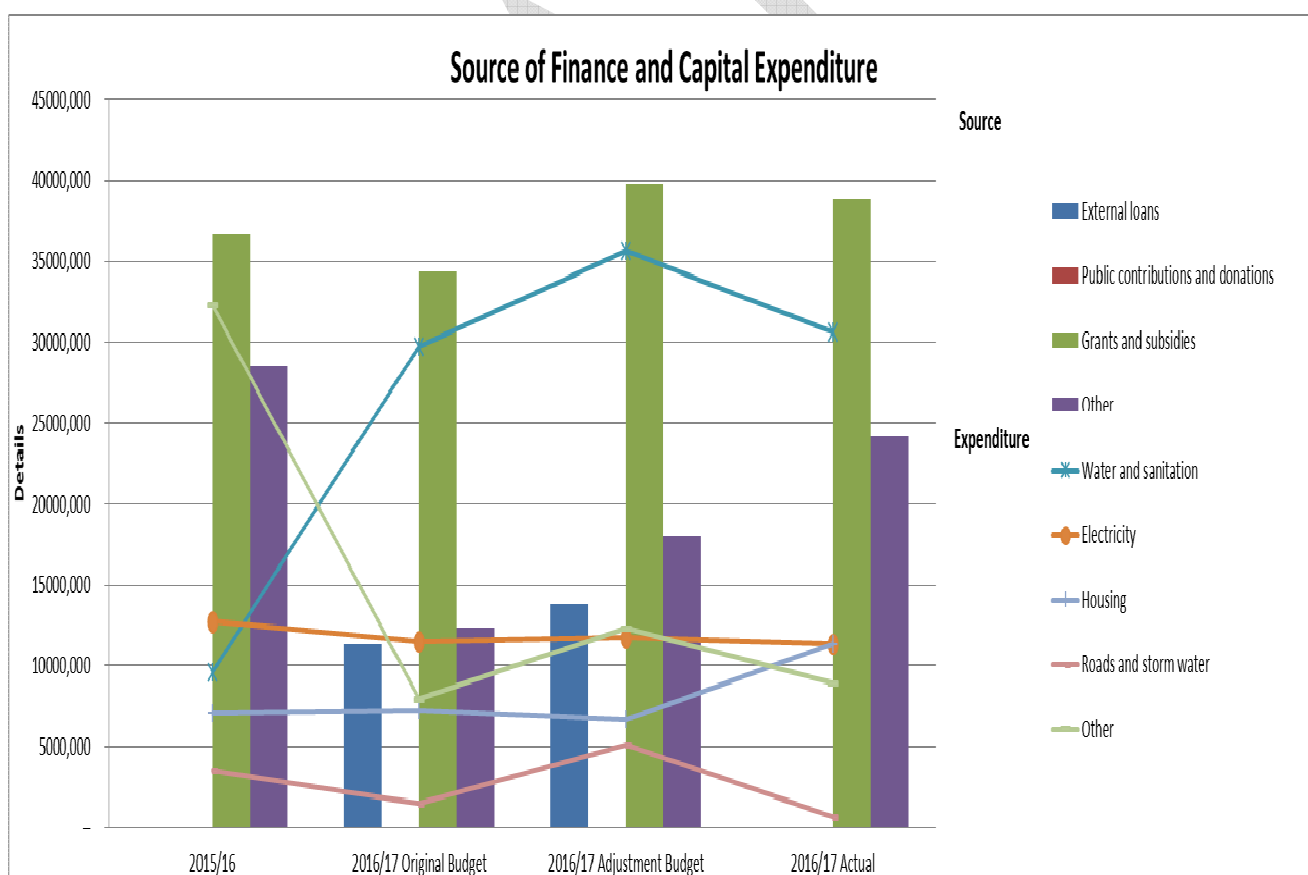
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COMMENT ON SOURCES OF FUNDING:

The municipality financed the largest part of its capital expenditure through grant funding (61.6%) once again indicating the municipalities reliance on grant funding. The rest of the capital expenditure was funded from own funds. The variance between original budget, adjustment budget and actual budget is largely attributable to the following factors. Grant funding roll-overs are only approved after the original budget has been approved, the municipality therefore cannot include this in its original budget because of the uncertainty of rollover approval. MFMA clearly states that revenue can only be raised from realistically anticipated revenue. Secondly the municipality anticipated that it would finance a larger part of its capital expenditure through external loans, however due to the large cost of borrowing in South Africa, the municipality decided to utilize its own funds from the capital replacement reserve.

The capital expenditure represents 14.56% of the total expenditure. This is once again because the municipality largely relies on grant funding for capital expenditure and the largest portion of its own funds is utilized to finance operational activities of the municipalities.

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5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current Year: 2016/17			Variance Current Year: 2016/17	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Replacement of existing bulk sewer pipe line between Caledon/Myddleton and the Waste Water Treatment Works	11,468	14,035	14,035	-22%	0%
Low cost housing projects	7,213	6,688	11,395	-58%	-70%
Electrification of Santa	6,500	6,500	6,318	3%	3%
New bulk sewer system for the proposed low-cost development at Destiny Farm	5,184	4,520	4,366	16%	3%
Upgrade Waste Transfer Station	2,281	2,281	1,870	18%	18%
* Projects with the highest capital expenditure in Year 2016/17					
Name of Project - A	Replacement of existing bulk sewer pipe line between Caledon/Myddleton and the Waste Water Treatment Works				
Objective of Project	Smooth run of sewer, prevent larger damage with larger costs implications when not replacing pipe line				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - B	Low cost housing projects				
Objective of Project	Provide citizens with informal human settlements				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - C	Electrification of Santa				
Objective of Project	Provide the citizens of Santa with electricity				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - D	New bulk sewer system for the proposed low-cost development at Destiny Farm				
Objective of Project	Treatment of domestic waste generated through the sewerage system				
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - E	Upgrade Waste Transfer Station				
Objective of Project	Sufficient and protective waste management site				
Delays					
Future Challenges					
Anticipated citizen benefits					
T5.7.1					

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5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Access to basic services within South Africa is a basic human right. It is also an indication of the quality of life of the inhabitants in the country. Access to basic services has a wider impact on education and health and therefore also on the economy. Of the four local municipalities within the Overberg District, Theewaterskloof has the largest population which is estimated at 117 657 in 2016. This total gradually increases across the 2015/16 MTREF years and is projected to reach 125 505 by 2020. In addition to population projections, the projections on the number of households form the basis of municipal service delivery planning and essentially inform budget allocations towards basic services such as water, electricity, sanitation and refuse removal. It is therefore vital that for budget planning and implementation purposes a municipality rely on credible and accurate household estimates.

The total number of households in the Theewaterskloof Municipality was estimated at 33 907 in 2016 14.1% growth on 2011 census figures. With agriculture being one of the biggest employer in the region it is also the biggest contributing factor to the migration phenomena into the region. The seasonality factor of agricultural employment causes people to move into the area during certain parts of the year and then remaining in the area even when agricultural employment cease. These people now become the responsibility of the municipality, as they must receive services, housing even though they have no income to pay for these. This places a large financial and infrastructure burden on the municipality. The cost to provide free basic services was R 20,3m during the 2016/17 financial year, which results in an R4.1m increase from the previous financial year. TWK prides itself in providing all households with at least the minimum service levels.

Backlogs in infrastructure: Certain infrastructure and bulk service operations are already exceeding design capacity. Due to already bulk operations exceeding design capacity it would be a challenge to ensure that the growth needs of the Municipality are addressed by considering local economic development initiatives, and taking cognizance of changing needs of communities.

Uncontrolled influx of indigent people: People that are not able to pay for financial services and who are putting increased pressure on infrastructure and bulk services, operational capacity of TWK, the economy as a whole and social conditions in the area. The uncontrolled influx of indigent people place an increased burden on the capacity levels of the Municipality and threaten the financial viability and sustainability of the Municipality.

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Households (HHs)				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	36492	88%	4907	12%
Sanitation	36492	86%	5880	14%
Electricity	6850	91%	700	9%
Waste management	36492	100%	0	-
Housing	15187	67%	7360	33%
% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.				T5.8.2

Municipal Infrastructure Grant (MIG)* Expenditure 2016/17 on Service backlogs						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Infrastructure - Road transport	1,526	195	195	-683%	0%	
Roads, Pavements & Bridges	1,526	195	195	-683%	0%	
Storm water	-	-	-			
Infrastructure - Electricity	1 404	1 404	1 404	0%	0%	
Generation						
Transmission & Reticulation						
Street Lighting	1 404	1 404	1 404	0%	0%	
Infrastructure - Water	4,364	4,669	4 031	-8%	-16%	
Dams & Reservoirs	219	162	162	-35%	0%	
Water purification						
Reticulation	4,145	4 507	3 869	-7%	-16%	
Infrastructure - Sanitation	12,914	13,623	13,113	2%	-4%	
Reticulation	-	-	-	0%	0%	
Sewerage purification	12,914	13,623	13,113	2%	-4%	
Infrastructure - Other	1,243	1,243	1,167	-6%	-6%	
Waste Management	1,243	1,243	1,167	-6%	-6%	
Transportation						
Gas						
Other Specify:	-	-	-			
Sport						
Total	21,451	21,134	19,910	-8%	-6%	
* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T5.8.3

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COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

There has been an improvement in the overall cash position of the municipality as a result of a cash based budget and improved cash management, increased debt collection rate as well as more cost reflective tariffs. The cash position of the municipality was further strengthened by an increase in proceeds from assets disposal amounting to R1, 908m in the 2016/17 financial year.

The municipality's cash position improved in the 2016/17 financial year from R56, 442m to R64, 323m, an increase of R7, 881 from the previous financial year. The municipality's cash position improved during the 2016/17 financial year and amounts to R64, 323m at 30 June 2017.

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5.9 CASH FLOW

Cash Flow Outcomes					R'000
Description	2015/16	Current Year: 2016/17			
	Audited Outcome	Original Budget	Adjusted Budget	Actual	
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Ratepayers and other	248 093	256 289	262 457	277 033	
Government - operating	117 322	130 563	123 176	93 319	
Government - capital	37 721	34 366	37 346	44 073	
Interest	7 323	9 923	9 500	7 323	
Dividends					
Payments					
Suppliers and employees	(337 220)	(383 043)	(364 064)	(332 146)	
Finance charges	(11 206)	(11 462)	(13 365)	(10 336)	
Transfers and Grants	(1 214)	(1 500)	(2 300)	(2 285)	
NET CASH FROM/(USED) OPERATING ACTIVITIES	60 819	35 136	52 749	76 981	
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	0	2 382	2 382	1 908	
Decrease (Increase) in non-current debtors					
Decrease (increase) other non-current receivables		(7)	1	(919)	
Decrease (increase) in non-current investments	(894)	(9 832)			
Payments					
Capital assets	(64 675)	(58 031)	(71 646)	(63 010)	
NET CASH FROM/(USED) INVESTING ACTIVITIES	(65 569)	(65 488)	(69 263)	(62 021)	
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Short term loans					
Borrowing long term/refinancing	-	11 359	13 789		
Increase (decrease) in consumer deposits	404	248	258	407	
Payments					
Repayment of borrowing	(7 675)	(7 626)	(7 486)	(7 486)	
NET CASH FROM/(USED) FINANCING ACTIVITIES	(7 270)	3,981	6,561	(7 079)	
NET INCREASE/ (DECREASE) IN CASH HELD	(12 020)	(26 372)	(9 953)	7,881	
Cash/cash equivalents at the year begin:	68 463	50 928	56 442	56 442	
Cash/cash equivalents at the year end:	56 442	24 556	46 489	64 323	
Source: MBRR SA7					T5.9.1

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COMMENT ON CASH FLOW OUTCOMES:

As can be seen from the above cash flow statement TWK is not facing any real cash flow problems as at 30 June 2017. However it is important that this position is maintained and improved. The largest contributors to municipal cash are ratepayers and government grant and subsidies. The cost coverage ratio of 2.2 is also a good indicator that the municipality's cash position is within the national norms. The municipality will strive to improve its cash position in 2017/18.

5.10 BORROWING AND INVESTMENTS

Any growing urban area requires substantial investments in infrastructure, and there are very few municipalities who receive enough in capital grants from national governments to finance all their requirements. This shortfall requires that municipalities look for alternative funding sources, or face the prospect that infrastructure backlogs become insurmountable, with serious negative implications for the quality of life and the economic growth of the urban area.

One of these funding sources is to take up loans. Although taking up loans is an acceptable alternative financing source, particularly for huge infrastructure projects, the cost of credit must be considered and one has to strike a balance between community needs and affordability. It should always be remembered that the decision on loans today could pose major affordability risks for future generations.

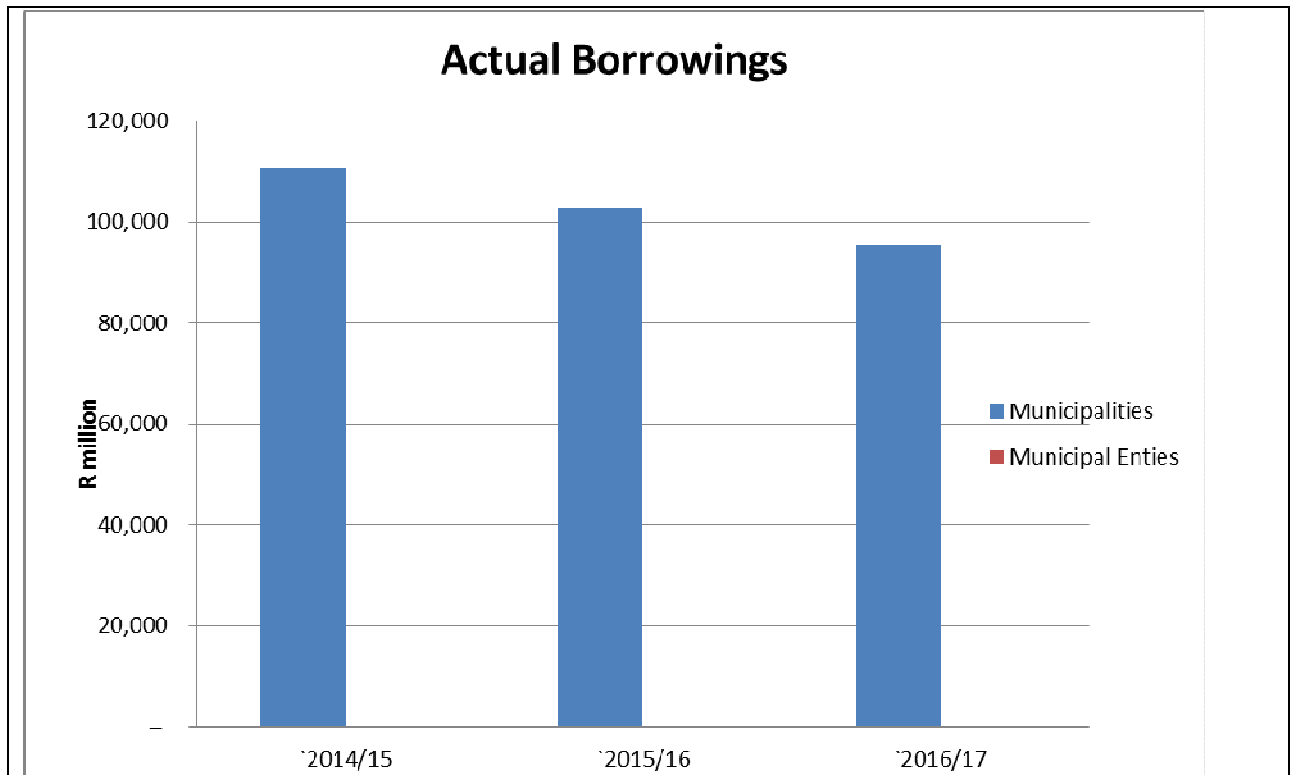
As already alluded to elsewhere in this report, the municipality made a conscious decision that loans will only be taken up as a measure of counter funding or in circumstances where the capital investment will yield sufficient additional revenue to cover the debt servicing costs. The municipality continue to strive to maintain its external loan exposure within the prudential limits of 40% of own revenue. Long term liabilities decreased in 2015/16, and it remains within the 40% limit. Borrowings reduced from R102m in 2015/16 to R95 in 2016/17 as no loans were taken up.

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Actual Borrowings 2014 to 2017			
	R' 000		
Instrument	`2014/15	`2015/16	`2016/17
Municipality			
Long-Term Loans (annuity/reducing balance)	93 069	85 579	78 215
Long-Term Loans (Stock loans)	17 023	17 023	17 023
Local registered stock			
Instalment Credit			
Financial Leases	458	273	151
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	110,550	102,875	95,389
Municipal Entities			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (Stock loans)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total			

T5.10.2

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Chapter 5

Municipal and Entity Investments			
Investment* type	2014/15	2015/16	2016/17
	Actual	Actual	Actual
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	59,776	61,257	49,678
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	59,776	61,257	49,678
Municipal Entities			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	—	—	—
Consolidated total:	59,776	61,257	49,678
			T5.10.4

Chapter 5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

The municipality currently have no public private partnerships

T 5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Supply chain management is perhaps one of the most challenging legislative requirements due to the lack of human resource capacity as well as the uncertainty with regards to the interpretation and implementation of legislation. This could result in underspending of the capital budget which will directly affect the municipality's ability to achieve its strategic objective of service delivery. Despite all the challenges, it can be stated that the municipality was successful in the implementation of the regulations and SCM policy.

MFMA Competency Regulations

The supply chain management unit consist 6 permanent employees of which one (manager scm) must comply with the MFMA competency regulations. The before mentioned employee complies with the said regulations and the municipality intend to ensure that the accountant in the department complies with these regulations, this is important to ensure effective succession planning.

No findings was raised in the Auditor General's report relating to supply chain management of the municipality.

T 5.12.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2013 (Act No. 2 of 2013) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Auditor-General has issued an unqualified audit opinion with no other matters on the financial statements for the past five financial years. The municipality has therefore complied with the requirements of the MFMA and DoRA and the financial statements were prepared in accordance with SA Standards of GRAP

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5.13.1

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CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR -1

6.1 AUDITOR GENERAL REPORTS YEAR -2015/16 (PREVIOUS YEAR)

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT
AND THE COUNCIL ON THEEWATERSKLOOF MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

INTRODUCTION

1. I have audited the financial statements of the Theewaterskloof Municipality set out on pages 3 to 90 of volume II, which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

ACCOUNTING OFFICER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR-GENERAL'S RESPONSIBILITY

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform

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the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Theewaterskloof Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

EMPHASIS OF MATTERS

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

RESTATEMENT OF CORRESPONDING FIGURES

8. As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of errors discovered during 2015-16 in the financial statements of the municipality at, and for the year ended, 30 June 2015.

MATERIAL IMPAIRMENTS

9. As disclosed in notes 21 and 22 to the financial statements, receivables were significantly impaired. The impairment allowance amounted to R139,7 million (2014-15: R118,0 million), of which R91,5 million (2014-15: R76,8 million) related to services debtors.

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10. As disclosed in note 13 to the financial statements, property, plant and equipment with a carrying value of R5,8 million was written off. This largely related to a building impaired as a result of a fire.

ADDITIONAL MATTERS

I draw attention to the matters below. My opinion is not modified in respect of these matters.

UNAUDITED SUPPLEMENTARY SCHEDULES

11. The supplementary information set out on pages 91 to 99 of volume II does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

UNAUDITED DISCLOSURE NOTES

12. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

13. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected key performance areas presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

PREDETERMINED OBJECTIVES

14. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected key performance areas presented in the annual performance report of the municipality for the year ended 30 June 2016:
 - Key performance area: financial viability on pages 52 to 56 and 86
 - Key performance area: basic service delivery on pages 61 to 83 and 85
15. I evaluated the usefulness of the reported performance information to determine whether it was consistent with the planned key performance areas. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific,

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measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information.

16. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following key performance areas:
 - Financial viability
 - Basic service delivery

ADDITIONAL MATTERS

18. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected key performance areas, I draw attention to the following matters:

ACHIEVEMENT OF PLANNED TARGETS

19. Refer to the annual performance report on pages 52 to 56, 61 to 83 and 85 to 86 for information on the achievement of the planned targets for the year.

UNAUDITED SUPPLEMENTARY INFORMATION

20. The supplementary information set out on pages 46 to 49 and 81 to 154 does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not express a conclusion thereon.

COMPLIANCE WITH LEGISLATION

21. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

INTERNAL CONTROL

22. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

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Auditor - General

Century City

30 November 2016



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

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COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2016/17 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT YEAR 2016-2017

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON THE THEEWATERSKLOOF MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON THE THEEWATERSKLOOF MUNICIPALITY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the Theewaterskloof Municipality set out on pages 4 to 82, which comprise the statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Theewaterskloof Municipality as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA).

BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

EMPHASIS OF MATTERS

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 49 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of errors discovered during the 2016-17 financial year in the financial statements of the municipality at, and for the year ended, 30 June 2017.

Material impairments

8. As disclosed in note 3 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions amounting to R105,9 million (2015-16: R90,4 million).
9. As disclosed in note 4 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions amounting to R54,4 million (2015-16: R49,3 million).

OTHER MATTERS

10. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited supplementary schedules

11. The supplementary information set out on pages 83 to 91 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Unaudited disclosure notes

12. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the

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requirements of the MFMA and DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

14. In preparing the financial statements, the accounting officer is responsible for assessing the Theewaterskloof Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the municipality or cease operations, or has no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

17. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected strategic focus areas presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
18. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

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19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected strategic focus areas presented in the annual performance report of the municipality for the year ended 30 June 2017:

Strategic focus areas	Pages in the annual performance report
Strategic focus area 2: financial viability	85 to 86 and 101
Strategic focus area 4: basic service delivery	101 and 106

20. I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
21. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following strategic focus areas:
- Strategic focus area 2: financial viability
 - Strategic focus area 4: basic service delivery

OTHER MATTER

22. I draw attention to the matter below.

Achievement of planned targets

23. Refer to the annual performance report on page 85 to 86, 101 and 106 for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement of a number of targets.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

Chapter 6

25. I did not raise material findings on compliance with the specific matters in key legislation as set out in the general notice issued in terms of the PAA.

OTHER INFORMATION

26. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected strategic focus areas presented in the annual performance report that have been specifically reported on in the auditor's report.
27. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
28. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected strategic focus areas presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.
30. I have nothing to report in this regard.

INTERNAL CONTROL DEFICIENCIES

31. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Cape Town

30 November 2017



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Chapter 6

ANNEXURE – AUDITOR-GENERAL’S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected strategic focus areas and on the municipality’s compliance with respect to the selected subject matters.

FINANCIAL STATEMENTS

2. In addition to my responsibility for the audit of the financial statements as described in the auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Theewaterskloof Municipality’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a municipality to cease to continue as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Chapter 6

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

DRAFT

Chapter 6

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer).....
Dated

T 6.2.5

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General performance indicators Key	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP) Plan	Set out municipal goals and development plans.
National performance areas Key	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation

GLOSSARY

Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned

APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Christelle Vosloo	Full Time		DA	90%	10%
Isaac Sileku	Full time	Human Settlement	DA	95%	5%
Danie Du Toit	Fulltime	Speaker	DA	100%	0%
Pearl Stanfliet	Full time	Operations and Human Settlement	DA	95%	5%
Martie Koegelenberg	Full time	Finance	DA	75%	25%
Mekie Plato-Mentoor	Full time	Development and Human Settlement	DA	95%	5%
Karel Papier	Full time	Technical Services and Human Settlements	DA	100%	0%
Jane Arendse	Full time	Corporate Services	DA	95%	5%
Stephan Potberg	Part time	Technical Services and Human Settlements	ANC	100%	0%
Nelis Lamprecht	Part time	Finance and Technical Services	DA	100%	0%
Ronald Brinkhuys	Part time	Technical Services and Operations	DA	95%	5%
Anthea Mentile	Part time	Corporate Services	ANC	95%	5%
Dawid Jooste	Part time	Development	DA	90%	10%
Thandeka Ndlebe	Part time	Human Settlement	ANC	95%	5%

APPENDICES

Toto Sipunzi	Part time	Technical Services and Human Settlements	ANC	80%	20%
Mzwanele Bhangazana	Part time	Operations	ANC	75%	25%
Nicolaas Pieterse	Part time	Corporate Services and Operations	DA	90%	10%
Derrick Appel	Part time	Technical Services	ANC	100%	0%
Caroline Wood	Part time	Development and Operations	ANC	90%	10%
Rinah Mienies	Part time	Finance	ANC	95%	5%
Charles November	Part time	Finance	ANC	90%	10%
Brian Tshabe	Part time	Corporate services and Development	DA	100%	
Henry Syster	Part time	Development and Operations	ICOSA	90%	10%
Thobinceba Tshungwana	Part time	Technical Services	ANC	95%	5%
Thozama Mangcayi	Part time	Corporate Services and Finance	EFF	65%	35%
Margaret Le Roux	Part time	Corporate services and Development	ANC	90%	10%
Samuel Fredericks	Part time	Finance	DA	90%	10%
Note: * Councillors appointed on a proportional basis do not have wards allocated to them					T A

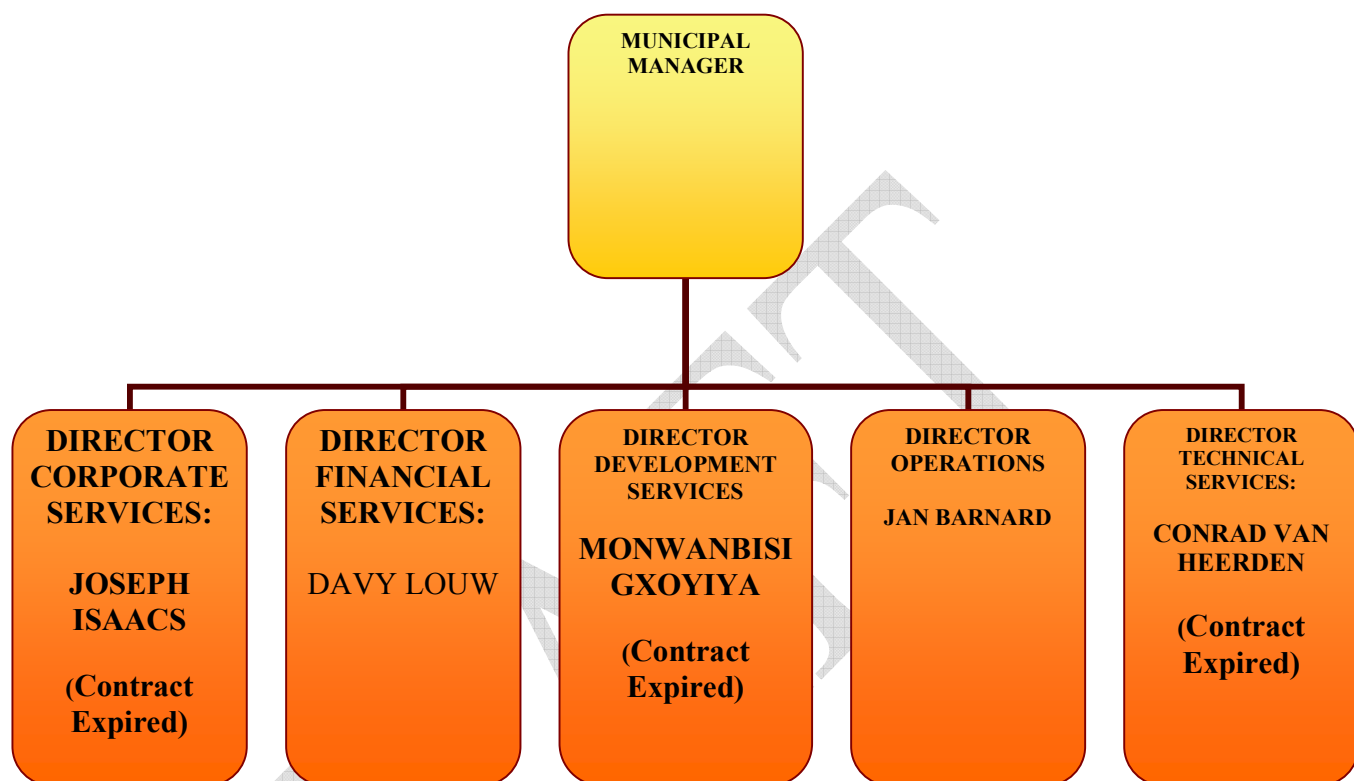
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APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Performance and Audit Committee	Internal financial control, internal audits, performance management and effective governance.
Oversight Committee	To Review the Annual Report and prepare a draft oversight report for Council
Risk Management Committee	Review the municipality's risk identification and assessment methodologies to obtain reasonable assurance of the completeness and accuracy of the register.
Combined Management, Speaker and Executive Mayoral Committee	To assist the executive mayor in the exercise of his powers.
Management Committee	To develop the entrepreneurial spirit, mentality, confidence and skill of schoolaged youth in Theewaterskloof.
Portfolio Committees	Makes provision for the appointment of committees to assist the executive mayor/committees
ICT Committee	Effective implementation and compliance of the Theewaterskloof information technology policies and procedures
Planning	To plan the next 3-year budget including Review of IDP and prev budget.
Financial Sustainability	Financial Viability Strategy and Implementation Plan and 5 year financial plan
Ward Committees	To assist the ward councilor in the ward. It is an advisory body who makes recommendations on Council reports. They also assist in drafting the IDP.
Town Advisory Committees	To assist the ward councilor in the ward. It is an advisory body who makes recommendations on Council reports. They also assist in drafting the IDP.
T B	

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APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE



APPENDICES

APPENDIX D – FUNCTIONS OF MUNICIPALITY

Municipal Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	YES	NO
Building regulations	YES	NO
Child care facilities	YES	NO
Electricity and gas reticulation	YES	NO
Fire fighting services	NO	NO
Local tourism	YES	NO
Municipal airports	NO	NO
Municipal planning	YES	NO
Municipal health services	NO	NO
Municipal public transport	YES	NO
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	YES	NO
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	NO	NO
Stormwater management systems in built-up areas	YES	NO
Trading regulations	YES	NO
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	YES	NO
<i>Continued next page</i>		

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Continued from previous page

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 5, Part B functions:		
Beaches and amusement facilities	YES	NO
Billboards and the display of advertisements in public places	YES	NO
Cemeteries, funeral parlours and crematoria	YES	NO
Cleansing	YES	NO
Control of public nuisances	YES	NO
Control of undertakings that sell liquor to the public	YES	NO
Facilities for the accommodation, care and burial of animals	YES	NO
Fencing and fences	YES	NO
Licensing of dogs	YES	NO
Licensing and control of undertakings that sell food to the public	YES	NO
Local amenities	YES	NO
Local sport facilities	YES	NO
Markets	YES	NO
Municipal abattoirs	YES	NO
Municipal parks and recreation	YES	NO
Municipal roads	YES	NO
Noise pollution	YES	NO
Pounds	YES	NO
Public places	YES	NO
Refuse removal, refuse dumps and solid waste disposal	YES	NO
Street trading	YES	NO
Street lighting	YES	NO
Traffic and parking	YES	NO
* If municipality: indicate (yes or No); * If entity: Provide name of entity		T D

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APPENDIX E – WARD REPORTING

FUNCTION OF WARD COMMITTEES:

- Ward Committee elections took place between 21 September and 30 November 2016.
- By 6 December 2016, all 14 Ward Committees was established and ward committee members has been inaugurated.
- Ward Committee Training was scheduled for 4 and 11 February 2017.
- Ward Committees could only start functioning from March 2017.
- The period of time as indicated above is too short and unrealistic to provide feedback on their total functionality as reflected in the National Indicators on the functioning of the ward committees.
- They however held their monthly meetings for the period.

SECTOR OR COMMUNITY REPRESENTATION

- Our Ward Committee system is a combined Sector and Geographical representative system.
- Various functional sectors are accommodated on our ward committee system
The Compilation per ward is indicated below:

WARD	SECTORAL REPRESENTATION	GEOGRAPHICAL REPRESENTATION
1	8	2
2	5	5
3	6	4
4	7	3
5	7	3
6	7	3
7	4	6
8	4	6
9	4	6
10	4	6
11	4	6
12	3	7
13	4	6
14	6	4

Ward Councillors held 2 quarterly ward Councillor Report back meetings:

- 30 January 2017 – 9 February 2017
- 15 May 2017 – 14 June 2017

APPENDICES

CHALLENGES FACED BY EACH WARD COMMITTEE and MEASURES TAKEN TO ADDRESS THE CHALLENGES

- A) The communication gap between the ward committees and their constituencies.
 - The remedy that we've identified is the compilation of Ward Operational Plans which indicates how and when ward committee members will meet with their constituencies. This will also be the monitoring tool of ward committees.
- B) The 2nd Challenge is the participation/ involvement of ward committees in some wards.
 - Ward Committees struggle to place items which affects their wards, on the Agenda of Ward Committee Meetings.
 - Remedial Action: The Minutes of the ward Committee Member Feedback meetings with their constituencies, which reflects the issues in their wards, will be placed on the Agenda of the Ward Committee Meetings quarterly.

NUMBER OF REPORTS SUBMITTED TO COUNCIL:

- No Ward Committee Reports has been submitted to Council for the 2016/ 2017 financial year.

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 1	Councillor S Potberg	Yes	5		3
	AF Appel				
	L Farenhem				
	E Mouries				
	M Lottering				
	J Johnson				
	S Oerson				
	P Stander				
	L Vilander				
	A Mouton				
	T Hermanus				
Ward 2	Alderman D Du Toit	Yes	5		8
	J Kraukamp				
	A Steyn				
	P Adams				

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	V Jansen				
	C Barthus				
	B Beukman				
	G Juries				
	M Ohlson de Fine				
	A White				
	D Crabtree				

Ward 3	Councillor J Arendse	Yes	5		1
	E Magerman				
	Y van Tonder				
	C Small				
	A Davids				
	F de Koker				
	B Swartz				
	V Theunissen				
	S Swartz				
	K Hoffman				
	C Benjamin				
Ward 4	Councillor M Koegelenberg	Yes	5		4
	J Brinkhys				
	A Modaleni				
	N Jende				
	J de Waal				
	V Watton				
	J Norval				
	M Wessels				
	JP de Wit				
	D du Toit				
	J Hauman				
Ward 5	Councillor C Lamprecht	Yes	5		2
	L Jonase				
	D Ontong				
	C Nel				
	B Bester				
	H Gagiano				
	W Welmans				
	R Jansen				
	Hendrik Schoeman				
	J Nicholls				

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Ward 6	Councillor R Brinkhuys	Yes	5		1
	E Jansen				
	T Vali				
	R Antonie				
	H Blignaut				
	J Nicollis				
	J Kleyn				
	V Hendricks				
	A Sindelo				
	H Schoeman				
Ward 7	Councillor P Stanfliet	Yes	5		2
	M Goniwe				
	C Afrika				
	M Davids				
	J Swanepoel				
	I Andries				
	H Pitcher				
	M Ngakana				
	H Hendricks				
	J Faroa				
	E Herman				
Ward 8	Councillor A Mentile	Yes	3		2
	Letjeba Khathatsho				
	Joel Kock				
	Ivy Ludziya				
	Akhona Bovungana				
	Xolani Nonjiko				
	Errol Gertse				
	Estelle Williams				
	Thando Xhego				
	Nowellen Klaasen				

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Ward 9	Councillor D Jooste	Yes	5		2
	M Koelman				
	N Fortuin				
	E Wagenaar				
	M May				
	D Johannes				
	Anna Hanekom				
	J Jooste				
	I Kortje				
	H Botha				
	H Schoeman				
Ward 10	Councillor M Plato-Mentoor	Yes	3		2
	Franswa Titus				
	Clive Januarie				
	Linda Hendricks				
	Johanna Koopman				
	Bronvin Snyders				
	Johanne de Bruin				
	John Hutton-Squire				
	David Williams				
Ward 11	Councillor T Ndlebe	Yes	3		2
	Chrisjan Gertze				
	Alfred Mattheoane				
	Elizabeth Skey				
	Silulami Mxhuma				
	Zandisile Saziwa				
	Sandile Sitshoto				
	Pumeza Mcetwa				
	Lorne Erasmus				
	Shirley Jonas				
	Phumza Mzolisa				

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Ward 12	Councillor U Sipunzi	Yes	3		4
	William Nomxhanya				
	Sello Joseph Mohlomi				
	Christene Absalom				
	Percy Speelman				
	Lubabalo Madizeni (Moses)				
	Matlaphi Cecilia Mthoba				
	Lynette de Bruyn-Davids				
	Tabodi Mamabolo				
	Myrtle Ritcher				
	JW Stofile				
Ward 13	Councillor M Bhangazana	Yes	3		2
	Nozukile Mchasa				
	Mxolisi Thobiganya				
	Siyambonga Maziza				
	Unathi Mtoko				
	Johanna Fourie				
	Dawid de Wee				
	Gorden Pedro				
	Andreas Julies				
	Tsele Anton Langa				
	Tembile Nomshuva				
Ward 14	Councillor N Pieterse	Yes	3		2
	Nicolaas Fredericks				
	Dennis May				
	Oren Parnell				
	Jacobus Fillies				
	Fergusson Oppelt				

APPENDICES

APPENDIX F – WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in Year 0 (Full List at Appendix O)				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value
				T F.1

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery					
Households without minimum service delivery					
Total Households*					
Houses completed in year					
Shortfall in Housing units					
*Including informal settlements					TF.2

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During Year 0
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS) Names: xxx (8); xxx (7)...	T F.3
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APPENDICES

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 2016/17	Recommendations adopted (enter Yes) If not adopted (provide explanation)
31-Aug-16	audit work completed and planned	Yes
31-Aug-16	Supply Chain third quarter review	Yes
31-Aug-16	Solid Waste Audit 4th quarter	Yes
31-Aug-16	Human Resource Audit	Yes
31-Aug-16	Compliance assessment 2015/16	Yes
31-Aug-16	Auditor General follow-up report	Yes
31-Aug-16	Internal Audit follow-up report	Yes
31-Aug-16	SDBIP 4th quarter 2015/2016 audit	Yes
31-Aug-16	2015/2016 4th quarter performance assessment	Yes
31-Aug-16	2015/2016 SDBIP report - office of the Chief Audit Executive	Yes
31-Aug-16	Quarterly budget statement for the 4th quarter ending 30 June 2016	Yes
31-Aug-16	Draft Financial Statements for the Year Ending 30 June 2016	Yes
31-Aug-16	Distribution losses audit	Yes
31-Aug-16	Revised Annual Risk Based Audit Plan	Yes
20-Nov-16	audit work completed and planned	Yes
20-Nov-16	Inventory Audit	Yes
20-Nov-16	Supply Chain Management Fourth Quarter review	Yes
20-Nov-16	Risk Management Audit	Yes
20-Nov-16	Vandalism - Safeguarding of Municipal Properties	Yes
20-Nov-16	Solid Waste 1st Quarter Audit	Yes
20-Nov-16	First Quarter Compliance Assessment	Yes
20-Nov-16	Internal Audit follow-up report	Yes
20-Nov-16	First Quarter Performance Assessment	Yes

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20-Nov-16	Quarterly budget statement for the 1st quarter ending 30 September 2016	Yes
20-Nov-16	Risk Management Committee Minutes	Yes

Municipal Audit Committee Recommendations

Date of Committee	Committee recommendations during Year 2016/17	Recommendations adopted (enter Yes) If not adopted (provide explanation)
20-Nov-16	ICT Report	No - Agenda-item referred to the next Performance- and Audit Committee meeting for discussion.
20-Nov-16	Rehabilitation of Landfill sites - Funding Model	No - projected expenditure column be added to funding model proposal and be presented at the next Performance and Audit Committee meeting.
20-Jan-17	2015/16 IDP Annual Report	Yes
20-Jan-17	First Quarter Compliance Audit	Yes
20-Jan-17	Supply Chain First Quarter Review	Yes
20-Jan-17	SDBIP 1st Quarter Audit	Yes
20-Jan-17	mSCOA Audit	Yes
20-Jan-17	ICT Quarterly Report 1 July 2016-30 September 2016	Yes
20-Jan-17	Internal Audit Charter	Yes
20-Jan-17	Audit Committee Charter	Yes
20-Jan-17	Risk based Internal Audit Plan 2016/17	Yes

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2-Jun-17	audit work completed and planned	Yes
2-Jun-17	2nd Quarter Review Supply Chain Management	Yes
2-Jun-17	Maintenance on proclaimed roads	Yes
2-Jun-17	Inventory Audit	Yes
2-Jun-17	3rd Quarter Audit Solid Waste	Yes
2-Jun-17	Safety of Municipal Officials Audit	Yes
2-Jun-17	SDBIP 3rd Quarter Audit	Yes
2-Jun-17	3rd Quarter Compliance Audit	Yes

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 2016/17	Recommendations adopted (enter Yes) If not adopted (provide explanation)
2-Jun-17	Internal Audit Follow-up reports	Yes
2-Jun-17	Auditor General follow-up report	Yes
2-Jun-17	3rd Quarter SDBIP report	Yes
2-Jun-17	Revised Internal Audit Charter	Yes
2-Jun-17	Meeting Schedule	Yes
2-Jun-17	Annual Risk Based Internal Audit Plan 2017/18	Yes
2-Jun-17	Rehabilitation of Landfill sites - Funding Model	No - Stand over till next meeting in order to give input and site visit
2-Jun-17	Risk Unit - Combined Assurance Framework	Yes
2-Jun-17	4th Quarter progress report - Risk Management Implementation Plan	Yes
2-Jun-17	Minutes of Risk Management Committee	Yes
2-Jun-17	Quarterly Budget Statement for the 2nd quarter ending 31 December 2016	Yes
2-Jun-17	Quarterly Budget Statement for the 3rd quarter ending 31 March 2017	
		T G

APPENDICES

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into Year 1)					
					R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Lateral Union Insurance Broker	The Provision of Short Term Insurance for the period from 01 July 2016 to 30 June 2019	2016/08/01	2019/06/30	Colyn J	R 2 782
Qiniseka Security cc	Provision of Security Services for the Collection, Transportation and Depositing of Cash for the period from 01 August 2016 to 30 June 2019	2016/08/01	2019/06/30	Van Niekerk J	R 656
Ontec Systems (Pty) Ltd.	Provision and Administration of Electricity Prepayment Uniform Vending System for a Period from 01 March 2017 to 30 June 2019	2017/03/01	2019/06/30	Van Niekerk J	R 4 182
F2 waardeerders / Suidkaap Waardeerders	The Provision of Professional Services for the Execution and Maintenance of the General Valuation Roll for 2018/2019 - 2022/2023 and the Supplementary Rolls within the Contract Period of September 2016 - 30 June 2019 & For the determining of the Market Related Rent and Fair Market Value of Properties within the Theewaterskloof Municipal Area on an ad hoc basis within the contract period	2016/11/16	2019/06/30	Van Niekerk J	R 1 946
Ontec Systems (Pty) Ltd.	Provision and Administration of Electricity Prepayment Uniform Vending System for a Period from 01 March 2017 to 30 June 2019	2017/03/01	2019/06/30	Van Niekerk J	R 4 182

Contents

Minolta (Pty) Ltd t/a Konica Minolta South Africa	1. Supply, delivery and installation of three (3) digital Photocopiers in Municipal Offices of Theewaterskloof Municipality and maintenance for the period 01 September 2016 to 30 June 2019 2. Maintenance of four (4) Bizhub B282 Photocopiers in Municipal Offices of Theewaterskloof Municipality for the period 01 September 2016 to 30 June 2018	2016/09/01	2019/06/30	Faul M	R 587
Blackbird Trading 480 cc	Supply and Delivery of Personal Protective Clothing and Equipment from 01 May 2017 to 30 June 2019	2017/05/01	2019/06/30	Julies C	R5.
Parksafe Protective & Safetyware cc	Supply and Delivery of Personal Protective Clothing and Equipment from 01 May 2017 to 30 June 2019	2017/05/01	2019/06/30	Julies C	Rates
Safety Protective Clothing cc	Supply and Delivery of Personal Protective Clothing and Equipment from 01 May 2017 to 30 June 2019	2017/05/01	2019/06/30	Julies C	Rates
Bur Maintenance	Operation of the Caledon Landfill and Transport of Containerised Municipal Solid Waste from 01 August 2016 to 30 June 2019	2016/08/01	2019/06/30	Marthinus H	R 6 971
TMT Services & Supplies (Pty) Ltd	The Supply, Delivery and the Administrative Support Services of a Fine Collection System and Camera Equipment with the related Operational Support for the period from 01 July 2016 to 30 June 2019	2016/10/01	2019/06/30	Jacobs S	Per Rates

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Following each report to the targets set in the Real 2 Budget/1st Round. Note that all targets must be achievable within approved budget provision in column (ii) set out the service indicator (in bold italics) then the service target
death (not in bold - standard type face) to denote the difference.

APPENDICES

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 16/17 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	C Vosloo	Nil
Member of MayCo / Exco		
Mayor	C Vosloo	Nil
Deputy Mayor	I Sileku	Nil
Councillor	P Stanfliet	Nil
Councillor	K Papier	Nil
Councillor	M Koegelentberg	Nil
Councillor	J Arendse	Nil
Councillor	M Plato-Mentoor	Nil
Councillor	A C November	Nil
Councillor	T Mangcayi	Nil
Councillor	S Fredericks	Nil
Councillor	B Tshabe	Nil
Councillor	C Wood	Nil
Councillor	H Syster	Nil
Councillor	D Appel	Nil
Councillor	R Mienies	Nil
Councillor	T Tshungwa	Nil
Councillor	M Le Roux	Nil
Councillor	S Potberg	Nil
Councillor	N Lamprechts	Nil
Councillor	R Brinkhuys	Nil
Councillor	N A Mentile	Nil
Councillor	D Jooste	Nil
Councillor	T Ndlebe	Nil
Councillor	U Toto	Nil
Councillor	M Bhangazana	Nil
Councillor	N Pieterse	Nil
Municipal Manager		
Chief Financial Officer	D Louw	Plot 419 Value-R420000, Plot 4035 Value- R1785400
Deputy MM and (Executive) Directors		
Director: Corporate Services		
Director: Development		
Director: Technical Services		
Director: Operations & Acting MM	J Barnard	House Value-R2 m
Other S57 Officials		

* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A

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APPENDICES

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
						R' 000
Vote Description	2015/2016	2016/2017		2016/2017		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1 - Executive & Council	9,851	1,326	2,017	8,221	520%	308%
Vote 2 - Finance & Admin	150,102	155,476	160,220	158,964	2%	-1%
Vote 3 - Planning & Development	5,239	2,344	2,954	5,086	117%	72%
Vote 4 - Community & Social Services	7,171	8,165	8,554	8,331	2%	-3%
Vote 5 - Housing	50,823	51,577	42,378	19,235	-63%	-55%
Vote 6 - Public Safety	31,275	27,285	22,520	31,111	14%	38%
Vote 7 - Sport & Recreation	(673)	69	46	(949)	-1478%	-2142%
Vote 8 - Environmental Protection	-	-	-	-	-	-
Vote 9 - Waste Management	31,226	33,681	33,499	34,496	2%	3%
Vote 10 - Waste Water Management	30,289	30,066	30,066	31,703	5%	5%
Vote 11 - Roads Transport	5,423	6,260	10,160	4,554	-27%	-55%
Vote 12 - Water	51,760	55,270	62,144	69,465	26%	12%
Vote 13 - Electricity	82,783	81,340	83,748	85,212	5%	2%
Vote 14 - Other	28,635	27,811	27,811	26,587	-4%	-
Vote 15 - [NAME OF VOTE 15]						
Total Revenue by Vote	483,904	480,670	486,117	482,016		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						T K.1

APPENDICES

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
R '000						
Description	'2015/16	'2016/17			2016/2017 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	75,778	83,766	83,267	85,873	2.52%	3.13%
Property rates - penalties & collection charges		-	-			
Service Charges - electricity revenue	73,608	78,184	79,248	80,098	2.45%	1.07%
Service Charges - water revenue	49,994	49,219	59,743	59,575	21.04%	-0.28%
Service Charges - sanitation revenue	24,978	24,572	24,572	25,607	4.21%	4.21%
Service Charges - refuse revenue	25,222	27,394	27,212	27,527	0.48%	1.16%
Service Charges - other	2,540	369	369	1,120	203.22%	203.22%
Rentals of facilities and equipment	1,551	1,623	1,613	1,658	2.13%	2.81%
Interest earned - external investments	7,323	5,000	5,500	7,323	46.46%	33.15%
Interest earned - outstanding debtors	7,721	7,212	8,000	9,868	36.83%	23.35%
Dividends received		-	-			
Fines	30,983	27,045	22,045	30,621	13.22%	38.90%
Licences and permits	2,274	2,598	1,875	2,036	-21.65%	8.58%
Agency services	2,667	2,814	2,814	2,865	1.83%	1.83%
Transfers recognised - operational	126,982	130,563	124,996	95,491	-26.86%	-23.60%
Other revenue	17,865	3,564	4,341	13,494	278.68%	210.89%
Gains on disposal of PPE	-	2,382	2,382	297	-87.54%	-87.54%
Environmental Protection	-	-	-			
Total Revenue (excluding capital transfers and contributions)	449,487	446,305	447,975	443,453	-0.64%	-1.02%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						T K.2

APPENDICES

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG							R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)	
				Budget	Adjustments Budget		
National Treasury							
<i>Equitable Share (Indigent)</i>	69 861	69 861	69 133	-1%	-1%		
<i>Local Government Financial Management Grant (FMG)</i>	1 625	1 625	1 625	0%	0%		
<i>Municipal System Improvement Grant (MSIG)</i>	0	0	0	0%	0%		
<i>National Electrification Programme (NEP)</i>	6 500	6 500	6 500	0%	0%		
<i>Expanded Public Works Programmes</i>	1 104	1 051	1 049	-5%	0%		
<i>Regional Bulk Infrastructure Grant (RBIG)</i>	0	0	0	0%	0%		
<i>Municipal Disaster Recovery</i>	0	0	0	0%	0%		
Total	79 090	79 037	78 307	-1%	-1%		
Provincial Treasury							
<i>Integrated Housing and Human Settlement & Dev. Grant</i>	51 577	42 378	19 235	-63%	-55%		
<i>CDW Operational Support Grant</i>	113	114	122	8%	7%		
<i>Maintenance Of Proclaimed Main Roads</i>	117	117	5	-96%	-96%		
<i>Library Service Conditional Grant</i>	7 535	7 924	7 950	6%	0%		
<i>Thusong Multi Purpose Centre</i>	212	238	225	6%	-5%		
<i>WC Financial Management Support Grant (888 101)</i>	0	0	0	0%	0%		
<i>WC Financial management Support Grant (307 000)</i>	0	307	307	0%	0%		
<i>WC Financial management Support Grant (50 000)</i>	0	0	0	0%	0%		
<i>Financial management Support Grant (987 000)</i>	0	0	0	0%	0%		
<i>Municipal Capacity Building Grant</i>	120	820	120	0%	-85%		
<i>WC Fin. Management Support Grant (220 000)</i>	0	220	220	100%	0%		
<i>LG Graduate Internship Grant</i>	0	60	0	0%	-100%		
Total	59 674	52 178	28 185	-53%	-46%		
Other Specify							
<i>SETA</i>	855	855	277	-68%	-68%		
<i>DBSA LEDI</i>	0	328	94	0%	-71%		
<i>DBSA(Capital)</i>	0	1 450	1 450	0%	0%		
<i>HAN students</i>	105	795	947	802%	19%		
<i>IDC Grant</i>	0	162	0	0%	-100%		
<i>SANRAL</i>	0	4 623	153	100%	-97%		
Total	960	8 213	2 920	204%	-64%		
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.							T L

APPENDICES

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

Table continued from previous page

Capital Expenditure - New Assets Programme*							
R '000							
Description	Year 2015/2016	Year 2016/2017			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Heritage assets - Total	-	-	-	-	-	-	-
Buildings							
Other							
Investment properties - Total	-	-	-	-	-	-	-
Housing development							
Other							
Other assets	9,696	3,846	6,606	4,181	-	-	-
General vehicles	4,610	-	2,222	1,243			
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment	1,657	510	976	644			
Furniture and other office equipment	3,118	3,336	2,895	2,091			
Abattoirs							
Markets							
Civic Land and Buildings	310	-	-	-			
Other Buildings							
Other Land		-	-	-			
Surplus Assets - (Investment or Inventory)							
Other			514	204			
Agricultural assets	-	-	-	-	-	-	-
List sub-class							
Biological assets	-	-	-	-	-	-	-
List sub-class							
Intangibles	-	-		-	-	-	-
Computers - software & programming							
Other (list sub-class)							
Total Capital Expenditure on new assets	41,364	36,971	44,294	39,281	-	-	-
Specialised vehicles	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							

* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)

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APPENDICES

APPENDIX M (i): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	Year	Year 2016/2017			Planned Capital		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	21,223	21,060	27,352	23,729	-	-	-
Infrastructure: Road transport -Total	2,746	-	-	-	-	-	-
Roads, Pavements & Bridges	-	-	-	-			
Storm water	-	-	-	-			
Infrastructure: Electricity - Total	2,370	3,660	3,660	3,433	-	-	-
Generation							
Transmission & Reticulation	2,370	3,660	3,660	3,433			
Street Lighting							
Infrastructure: Water - Total	2,765	1,500	4,319	3,614	-	-	-
Dams & Reservoirs							
Water purification		-		-			
Reticulation	2,765	1,500	4,319	3,614			
Infrastructure: Sanitation - Total	10,343	13,619	17,093	14,812	-	-	-
Reticulation	10,343	13,619	17,093	14,812			
Sewerage purification							
Infrastructure: Other - Total	3,000	2,281	2,281	1,870	-	-	-
Waste Management	3,000	2,281	2,281	1,870			
Transportation							
Gas							
Other							
Community	2,644	-	-	-	-	-	-
Parks & gardens							
Sportsfields & stadia	2,644	-	-	-			
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
Heritage assets	-	-	-	-	-	-	-
Buildings		-	-	-			
Other							

Table continued next page

APPENDICES

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Table continued from previous page

Capital Expenditure - Upgrade/Renewal Programme*							
							R '000
Description	Year	Year 1			Planned Capital		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Investment properties	-	-		-	-	-	-
Housing development							
Other							
Other assets	-	-		-	-	-	-
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
Agricultural assets	-	-		-	-	-	-
List sub-class							
Biological assets	-	-		-	-	-	-
List sub-class							
Intangibles	-	-		-	-	-	-
Computers - software & programming							
Other (list sub-class)							
Total Capital Expenditure on renewal of existing assets	23,867	21,060	27,352	23,729	-	-	-
Specialised vehicles	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							

* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)

T M.2

APPENDICES

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0

Capital Programme by Project: 2016/17					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Water	8,616	11,959	9,382		
New bulk water pipe line for low-cost housing development at Water Works, G'B	439	1,392	765	-45%	74%
Nuwe Steenbras Reservoir, G'B	1,017	1,017	0		
Upgrade Bulk Water Storage Capacity - New Reservoir, RSE	1,735	1,735	1,622		
New bulk water connector pipe line for the low-cost housing development at New France, Botrivier	1,435	570	467		
New bulk water system for the proposed low-cost housing development at New France, V'dorp	614	1,106	1,095		
Water source investigation, Genadendal	219	219	219		
New bulk water pipe line for low-cost housing development at Erf 289, RSE	1,439	1,439	1,439		
Water source development, Tesselaarsdal	219	162	162	0%	-26%
Repair and Replace Water pre-paid meters	1,500	4,319	3,614	-16%	
Electricity	11,564	11,780	11,371		
High mast lighting, G'B	877	877	877	0%	0%
High mast lighting for Destiny Farm, V'D	175	175	175	0%	0%
High mast lighting for Riemvasmaak, Caledon	351	351	351	0%	0%
Replace and upgrade network, De La Vigne, RSE	460	660	643	-3%	40%
Electrification of Santa	6,500	6,500	6,318	-3%	-3%
Installation of electrification services, Riemvasmaak, Caledon	0	217	217	0%	
Replace Switchgear in MS industrial, V'D	850	650	508	-22%	
Replace miniasture substation in Basil Newmarkstreet, Caledon	500	500	500	0%	
Upgrade and replacement of 11kV ringfeed in central business area (VictoriaStreet), Caledon	1,850	1,850	1,782	-4%	-4%
Sewerage/Sanitation	21,130	23,704	21,236		
New Bulk sewer system for low-cost housing development at Erf 289, RSE	1,326	1,326	1,326	0%	0%
Upgrade of waste water treatment works (housing), Caledon	0	129	129	0%	0%
Replacement of existing bulk sewer pipe line between Caledon/Myddleton and the Waste Water T	11,468	14,035	14,035	0%	22%
New bulk sewer pipe line for low-cost housing development at Water Works, G'B	702	813	457	-44%	-35%
Water Waste Treatment Plant, G'B	1,000	781	732	-6%	-27%
Upgrade Waste Water Treatment Works, V'D	1,450	2,100	191	-91%	-87%
New bulk sewer system for the proposed low-cost development at Destiny Farm, V'D	5,184	4,520	4,366	-3%	-16%
Waste Management	3,386	3,386	2,899		
Upgrade Waste Transfer Station, G'B	2,281	2,281	1,870	-18%	-18%
New Waste Transfer Station, Caledon	1,105	1,105	1,030	-7%	-7%
Housing	7,213	6,688	11,395		
Low cost housing projects	7,213	6,688	11,395	70%	58%
Sports Fields	750	1,552	1,346		
New Sport Facility Phase I	750	750	547	-27%	-27%
Sport Facility - Dennekruin	0	802	799	0%	
Fleet	0	2,222	1,243		
Upgrade of Fleet	0	2,222	1,243	-44%	0%

APPENDICES

Capital Programme by Project: 2016/17					
R' 000					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Roads, Pavements, Bridges & Stormwater	1,526	5,174	696	-87%	-54%
Upgrade of storm water systems in the TWK municipal area	1,526	195	195		-87%
Tesselaarsdal Stormwater	0	356	348	-2%	
Grabouw pick up and drop off zone	0	4,623	153	-97%	0%
Land and Buildings	0	780	504	-35%	0%
Expansion of cemetery, Caledon	0	401	339	-15%	
Expansion of cemetery, G'B	0	379	165	-56%	0%
Office Equipmant	3,846	4,384	2,938	-33%	-24%
Inventory Items	10	10	0	-100%	-100%
Inventory Items	40	40	9	-77%	-77%
Inventory Items	189	191	191	0%	1%
Inventory Items	0	10	0	-100%	0%
Inventory Items	340	373	246	-34%	0%
Inventory Items	150	137	91	-33%	-39%
Inventory Items	826	575	161	-72%	-81%
Inventory Items	144	190	184	-3%	28%
Inventory Items	510	976	644	-34%	26%
Inventory Items	320	290	283	-2%	-11%
Inventory Items	160	87	75	-14%	-53%
Inventory Items	200	85	26	-69%	-87%
Inventory Items	0	514	204	-60%	0%
Inventory Items	778	729	673	-8%	-13%
Inventory Items	180	177	149	-16%	-17%
	58,031	71,631	63,010		
T N					

APPENDICES

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

Capital Programme by Project by Ward: Year 2016/17			R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)	
Botrivier			
New bulk water connector pipe line for the low-cost housing development at New France	Ward 7	Yes	
Caledon			
High mast lighting for Riemvasmaak	Ward 4	Yes	
Electrification of Santa	Ward 4	No	
Installation of electrical services, Riemvasmaak.	Ward 4	No	
Replace miniasture substation in Basil Newmarkstreet	Ward 3	Yes	
Upgrading en replacement of 11kV ringfeed in central business area (Victoriastreet)	Ward 3	Yes	
Upgrade of Waste Water Treatment Works (Housing)	Ward 3	Yes	
Replacement of existing bulk sewer pipe line between Caledon/Myddleton and the Waste Water Treatment Works	Ward 3	No	
New Waste Transfer Station	Ward 3	Yes	
Expansion of cemetery - Caledon	Ward 3	No	
Inventory Items	Ward 3 & 4	No	
Genadendal			
Water source investigation	Ward 2	Yes	
Greyton			
Inventory Items	Ward 2	No	
Tesselaarsdal			
Storm Water	Ward 3	Yes	
Water source development	Ward 3	Yes	
New Sport Facility Phase I	Ward 3	No	
Grabouw			
Expansion of cemetery - Grabouw	Ward 9	No	
Grabouw pick up and drop off zone	Ward 9	No	
New bulk water pipe line for low-cost housing development at Water Works	Ward 11	No	
Nuwe Steenbras Reservoir	Ward 11	No	
High mast lighting for Grabouw	All Grabouw Wards	Yes	
New bulk sewer pipe line for low-cost housing development at Water Works in Grabouw	Ward 11	No	
Grabouw Waste Water Treatment Plant	All Grabouw Wards	Yes	
Upgrade Waste Transfer Station	All Grabouw Wards	Yes	
Sport Facility - Dennekruijn	Ward 13	Yes	
Inventory Items	All Grabouw Wards	Yes	
Riviersonderend			
Upgrade Bulk Water Storage Capacity - New Reservoir	Ward 1	Yes	
New bulk water pipe line for low-cost housing development at Erf 289	Ward 1	No	
Replace and upgrade network, De La Vigne	Ward 1	Yes	
New bulk sewer system for low-cost housing development at Erf 289	Ward 1	No	
Inventory Items	Ward 1	No	

APPENDICES

TWK		
Upgrading of storm water systems in the TWK municipal area	All Wards	Yes
Repair and Replace Water pre-paid meters	All Wards	No
Low cost housing projects	Ward 3	No
Upgrade of Fleet	All Wards	No
Inventory Items	All Wards	Yes
Inventory Items	All Wards	No
Inventory Items	All Wards	No
Inventory Items	All Wards	No
Inventory Items	All Wards	No
Inventory Items	All Wards	No
Inventory Items	All Wards	No
Inventory Items	All Wards	No
Inventory Items	All Wards	No
Inventory Items	All Wards	No
Villiersdorp		
New bulk water system for the proposed low-cost housing development at Destiny Farm	Ward 6	No
High mast lighting for Destiny Farm	Ward 6	Yes
Replace Switchgear in MS industrial	Ward 5,6	Yes
Upgrade Waste Water Treatment Works	Ward 5	No
New bulk sewer system for the proposed low-cost development at Destiny Farm	Ward 6	Yes
Inventory Items	Ward 5,6	Yes
	T O	

APPENDICES

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
Clinics (NAMES, LOCATIONS)				
Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.				T P

APPENDICES

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
Clinics:		
Housing:		
Licencing and Testing Centre:		
Reservoirs		
Schools (Primary and High):		
Sports Fields:		
		T Q

APPENDICES

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: Year 0				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 0 R' 000	Total Amount committed over previous and future years
* Loans/Grants - whether in cash or in kind				TR

APPENDICES

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services		
Output: Implementation of the Community Work Programme		
Output: Deepen democracy through a refined Ward Committee model		
Output: Administrative and financial capability		
* Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent.		
		T S

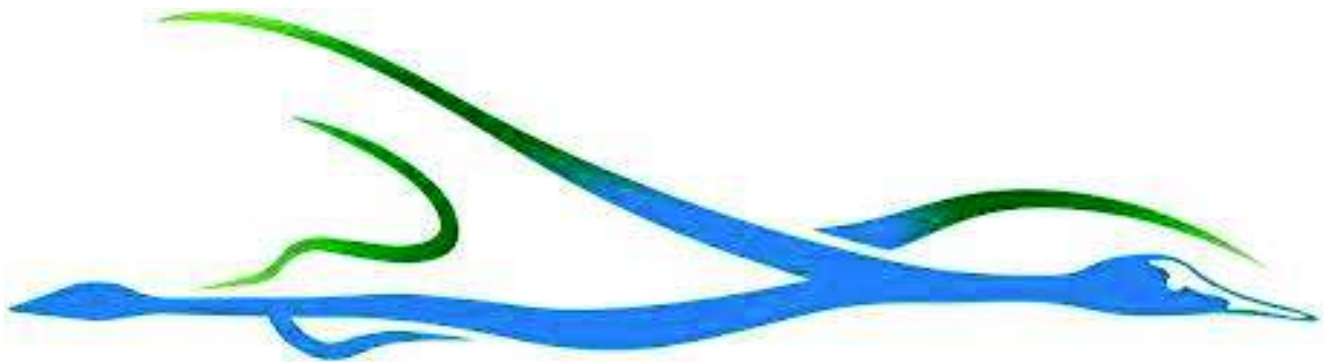
VOLUME II

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General.

DRAFT

THEEWATERSKLOOF LOCAL MUNICIPALITY



Theewaterskloof Municipality

ANNUAL FINANCIAL STATEMENTS

30 JUNE 2017

THEEWATERSKLOOF LOCAL MUNICIPALITY

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THEEWATERSKLOOF LOCAL MUNICIPALITY

GENERAL INFORMATION

NATURE OF BUSINESS

Theewaterskloof Local Municipality performs the functions as set out in the Constitution. (Act no 105 of 1996)

LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Theewaterskloof Local Municipality includes the following areas:

Caledon	Greyton
Grabouw	Genadendal
Villiersdorp	Botrivier
Riviersonderend	Tesselaarsdal

MEMBERS OF THE COUNCIL

August 2016 - June 2017

Ward 1	Mr S Potberg
Ward 2	Mr D du Toit
Ward 3	Mrs J Arendse
Ward 4	Mrs MM Koegelenberg
Ward 5	Mr CM Lamprecht
Ward 6	Mr R Brinkhuys
Ward 7	Mrs PU Stanfliet
Ward 8	Mrs A Mentile
Ward 9	Mr D Jooste
Ward 10	Mrs M Plato-Mentoor
Ward 11	Mrs T Ndlebe
Ward 12	Mr UT Sipunzi
Ward 13	Mr M Bhangezana
Proportional	Mr N Pieterse
Proportional	Mrs C Vosloo
Proportional	Mr I Sileku
Proportional	Mr K Papier
Proportional	Mr C November
Proportional	Mrs T Mangcayi
Proportional	Mr S Fredericks
Proportional	Mr B Tshabe
Proportional	Mrs C Wood
Proportional	Mr H Syter
Proportional	Mr D Appel
Proportional	Mrs R Mienies
Proportional	Mnr Gana (Resigned - 15/08/2016)
Proportional	Mr T Tshungwana (Appointed - 16/08/2016)
Proportional	Mrs M le Roux

July 2016 - August 2016

Mr KR Tiemie
Mrs ML Hector
Mr K Papier
Mrs MM Koegelenberg
Mr CM Lamprecht
Mrs J Nellie
Mrs PU Stanfliet
Mrs CV Thembani
Mr N Pieterse
Mrs M Plato-Mentoor
Mr J Michels
Mr UT Sipunzi
Mr M Tshaka (Resigned - 29/06/2016)
Mr C Punt
Mr GEM Carelse
Mr A Cupido
Mr P De Wet
Mrs FV Mankayi
Mr MR Nongxaza
Mr C November
Mr I Sileku
Mrs M Appel
Mr D du Toit
Mrs C Grain

MEMBERS OF THE MAYORAL COMMITTEE

August 2016 - June 2017

Executive Mayor	Mrs C Vosloo
Deputy Executive Mayor	Mr IM Sileku
Executive Councillor	Mrs MM Koegelenberg
Executive Councillor	Mrs J Arendse
Executive Councillor	Mrs PU Stanfliet
Executive Councillor	Mr K Papier
Executive Councillor	Mrs M Plato-Mentoor

July 2016 - August 2016

Mr C Punt
Mr M Tshaka (Resigned - 29/06/2016)
Mrs PU Stanfliet
Mr K Papier
Mrs MM Koegelenberg
Mr GEM Carelse

MUNICIPAL MANAGER

Mr J Barnard	Current Acting Municipal Manager
Mr HSD Wallace	Contract expired 03/10/2016



THEEWATERSKLOOF LOCAL MUNICIPALITY

GENERAL INFORMATION

SPEAKER

Mr D Du Toit

CHIEF FINANCIAL OFFICER

Mr D Louw

AUDIT COMMITTEE

GN Lawrence

DWJ Jacobs

Contract expired 31/10/2016

B van Staaden

Contract expired 31/10/2016

A Pienaar

VW van der Linde

E Lakey

REGISTERED OFFICE

6 Plein Street

Caledon

7230

POSTAL ADDRESS

6 Plein Street

Caledon

7230

AUDITORS

Office of the Auditor General (WC)

PRINCIPLE BANKERS

ABSA Bank Limited

ATTORNEYS

Bosman & Smit Pretorius

GJ Claughton

Johnson Attorneys

Guthrie & Theron

Fairbridges Attorneys

Finck Attorneys

DHM Attorneys

Bradley Conradie Attorneys

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)

Division of Revenue Act

The Income Tax Act

Value Added Tax Act

Municipal Structures Act (Act no 117 of 1998)

Municipal Systems Act (Act no 32 of 2000)

Municipal Planning and Performance Management Regulations

Water Services Act (Act no 108 of 1997)

Housing Act (Act no 107 of 1997)

Municipal Property Rates Act (Act no 6 of 2004)

Electricity Act (Act no 41 of 1987)

Skills Development Levies Act (Act no 9 of 1999)

Employment Equity Act (Act no 55 of 1998)

Unemployment Insurance Act (Act no 30 of 1966)

Basic Conditions of Employment Act (Act no 75 of 1997)

Supply Chain Management Regulations, 2005

Collective Agreements

Infrastructure Grants

SALBC Leave Regulations

Municipal Budget and Reporting Regulations

National Environmental Management Act

Preferential Procurement Policy Framework Act, 200

Occupational Health and Safety Act

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

APPROVAL OF ACCOUNTING OFFICER

I am responsible for the preparation of these annual financial statements year ended 30 June 2017, which are set out on pages 1 to 82 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2018 and is satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Mr J Barnard
Acting Municipal Manager

Date

THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2017

	Notes	2017 (Actual)	2016 (Restated)
ASSETS			
Current Assets		114 700 978	109 142 073
Cash and Cash Equivalents	2	64 323 450	56 442 470
Receivables from Exchange Transactions	3	22 168 670	18 237 687
Receivables from Non-Exchange Transactions	4	19 714 130	25 282 403
Unpaid Conditional Government Grants	5	187 475	53 458
Taxes	6	2 702 895	2 844 329
Operating Lease Asset	7	539 922	540 944
Current Portion of Long-term Receivables	8	1 361	1 321
Inventory	9	5 063 075	5 739 461
Non-Current Assets		795 202 892	755 982 731
Long-term Receivables	8	2 847	4 208
Investment Property	10	66 767 306	67 514 280
Property, Plant and Equipment	11	706 154 303	658 209 268
Intangible Assets	12	1 406 277	1 630 650
Heritage Assets	13	-	-
Capitalised Restoration Costs	14	9 227 092	17 898 198
Non-current Investments	15	11 645 067	10 726 127
Total Assets		909 903 870	865 124 805
Current Liabilities		81 827 350	106 555 563
Current Portion of Long-term Liabilities	16	8 188 718	7 486 149
Consumer Deposits	17	4 704 759	4 297 431
Payables from exchange transactions	18	39 108 842	46 084 461
Unspent Conditional Government Grants	19	9 824 512	5 258 808
Unspent Public Contributions	20	306 005	361 909
Current Employee benefits	21	19 694 515	17 976 126
Provisions	22	-	25 090 679
Non-Current Liabilities		198 358 033	178 142 547
Long-term Liabilities	16	87 200 352	95 389 070
Employee benefits	23	47 397 261	47 812 149
Non-Current Provisions	24	63 760 419	34 941 328
Total Liabilities		280 185 383	284 698 109
NET ASSETS		629 718 487	580 426 695
COMMUNITY WEALTH			
Accumulated Surplus		616 332 917	571 827 233
Capital Replacement Reserve	25	13 385 570	8 599 462
		629 718 487	580 426 695

THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2017

	Notes	2017 R (Actual)	2016 R (Restated)
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS		258 153 086	281 117 683
Taxation Revenue		85 872 817	75 778 391
Property Rates	26	85 872 817	75 778 391
Transfer Revenue		133 907 181	161 399 450
Government Grants and Subsidies - Operating	27	94 544 268	126 982 421
Government Grants and Subsidies - Capital	27	38 415 910	33 352 874
Public Contributions and Donations	28	947 003	1 064 155
Other Revenue		38 373 088	43 939 842
Insurance Receipts		1 632 345	6 319 619
Fines	29	30 620 935	30 983 076
Actuarial Gains	30	5 950 158	6 597 218
Reversal of Impairments	31	22 601	39 929
Contributed Assets	32	147 049	-
REVENUE FROM EXCHANGE TRANSACTIONS		223 862 555	202 785 888
Operating Activities		223 862 555	202 785 888
Service Charges	33	193 926 329	176 341 652
Rental of Facilities and Equipment	34	1 657 968	1 550 997
Interest Earned - external investments		7 323 159	7 322 774
Interest Earned - outstanding debtors		9 868 219	7 721 117
Agency Services		2 865 214	2 667 145
Licences and Permits	35	2 035 510	2 274 198
Other Income	36	5 889 371	4 908 005
Gain on disposal of Non-Monetary Assets	48	296 785	-
TOTAL REVENUE		482 015 640	483 903 571
EXPENDITURE			
Employee Related Costs	37	162 337 336	150 283 360
Remuneration of Councillors	38	9 986 691	8 939 371
Debt Impairment	39	60 300 033	48 810 858
Depreciation and Amortisation	40	23 097 206	24 695 285
Repairs and Maintenance	41	27 370 044	23 837 000
Actuarial Losses	42	-	54 993
Finance Charges	43	18 798 402	19 080 544
Bulk Purchases	44	67 125 660	62 105 258
Contracted Services	45	21 082 635	20 941 356
Transfers and Grants	46	2 285 090	1 213 827
Other Expenditure	47	40 340 752	73 712 650
Inventory adjustments		-	54 739
Loss on disposal of Non-Monetary Assets	48	-	5 797 797
TOTAL EXPENDITURE		432 723 849	439 527 038
NET SURPLUS FOR THE YEAR		49 291 791	44 376 533

THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDING 30 JUNE 2017

	CAPITAL REPLACEMENT RESERVE R	ACCUMULATED SURPLUS R	TOTAL R
Balance on 30 June 2015 - Previously Reported	15 721 475	518 520 365	534 241 840
Correction of error restatement - refer to note 49.5	-	1 808 325	1 808 325
Balance on 30 June 2015 - Restated	15 721 475	520 328 690	536 050 165
Net Surplus for the year	-	44 376 530	44 376 530
Property, Plant and Equipment purchased	(14 822 013)	14 822 013	-
Transfer to Capital Replacement Reserve	7 700 000	(7 700 000)	-
Balance on 30 June 2016 - Restated	8 599 462	571 827 233	580 426 695
Net Surplus for the year	-	49 291 791	49 291 791
Property, Plant and Equipment purchased	(4 372 986)	4 372 986	-
Transfer to Capital Replacement Reserve	9 159 094	(9 159 094)	-
Balance on 30 June 2017	13 385 569	616 332 917	629 718 486

THEEWATERSKLOOF LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2017

	Notes	2017 R (Actual)	2016 R (Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property Rates		79 639 759	73 630 507
Service Charges and Interest on outstanding Debtors		170 541 163	160 015 108
Other Revenue		26 851 637	14 447 150
Government Grants		137 391 864	155 043 619
Investment Income		7 323 159	7 322 774
Payments			
Suppliers and employees		(332 145 909)	(337 219 949)
Finance charges		(10 335 889)	(11 206 417)
Transfer and Grants		(2 285 090)	(1 213 827)
NET CASH FROM OPERATING ACTIVITIES	51	76 980 693	60 818 965
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of Property, Plant and Equipment		1 908 478	-
Payments			
Purchase of Property, Plant and Equipment		(63 010 433)	(63 244 859)
Purchase of Intangible Assets		-	(1 429 883)
Increase in Non-current Investments		(918 940)	(893 991)
NET CASH USED INVESTING ACTIVITIES		(62 020 895)	(65 568 732)
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts			
New loans raised		-	-
Increase in Consumer Deposits		407 331	404 319
Payments			
Loans repaid		(7 486 149)	(7 674 772)
NET CASH USED FINANCING ACTIVITIES		(7 078 818)	(7 270 453)
NET INCREASE/(DECREASE) IN CASH HELD		7 880 980	(12 020 221)
Cash and Cash Equivalents at the beginning of the year		56 442 470	68 462 691
Cash and Cash Equivalents at the end of the year		64 323 450	56 442 470

THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2017

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Current assets					
Cash	4 556 225	1 933 118	6 489 343	26 290 191	19 800 848
Call investment deposits	20 000 000	20 000 000	40 000 000	38 033 259	(1 966 741)
Consumer debtors	17 904 476	26 238 976	44 143 452	41 882 800	(2 260 652)
Other Receivables	3 000 000	191 151	3 191 151	3 430 292	239 141
Current portion of long-term receivables	6 811	(5 490)	1 321	1 361	40
Inventory	2 200 000	3 539 461	5 739 461	5 063 075	(676 386)
Total current assets	47 667 512	51 897 216	99 564 728	114 700 978	15 136 250
Non current assets					
Long-term receivables	-	2 887	2 887	2 847	(40)
Investments	9 832 136	893 991	10 726 127	11 645 067	918 940
Investment property	143 886 827	(84 286 073)	59 600 754	66 767 306	7 166 552
Property, plant and equipment	861 874 886	(155 016 791)	706 858 095	706 154 303	(703 792)
Intangible Assets	682 162	682 570	1 364 732	1 406 277	41 545
Other non-current assets	-	17 898 198	17 898 198	9 227 092	(8 671 106)
Total non current assets	1 016 276 011	(219 825 218)	796 450 793	795 202 892	(1 247 901)
TOTAL ASSETS	1 063 943 523	(167 928 002)	896 015 521	909 903 870	13 888 349
LIABILITIES					
Current liabilities					
Borrowing	8 547 629	(687 173)	7 860 456	8 188 718	328 261
Consumer deposits	4 374 296	180 981	4 555 277	4 704 759	149 482
Trade and other payables	40 668 454	15 496 916	56 165 370	49 239 359	(6 926 011)
Provisions and Employee Benefits	16 849 272	29 662 878	46 512 150	19 694 515	(26 817 635)
Total current liabilities	70 439 651	44 653 602	115 093 253	81 827 350	(33 265 903)
Non current liabilities					
Borrowing	122 758 816	(21 440 970)	101 317 846	87 200 352	(14 117 493)
Provisions and Employee Benefits	110 753 893	(23 035 207)	87 718 686	111 157 680	23 438 995
Total non current liabilities	233 512 709	(44 476 178)	189 036 531	198 358 033	9 321 501
TOTAL LIABILITIES	303 952 360	177 424	304 129 784	280 185 383	(23 944 402)
NET ASSETS	759 991 163	(168 105 426)	591 885 737	629 718 487	37 832 750
COMMUNITY WEALTH					
Accumulated Surplus	691 772 808	(104 755 551)	587 017 257	616 332 917	29 315 660
Reserves	68 218 355	(63 349 875)	4 868 480	13 385 570	8 517 090
TOTAL COMMUNITY WEALTH/EQUITY	759 991 163	(168 105 426)	591 885 737	629 718 487	37 832 750

Refer to note 53.2 for explanations of material variances.

Material variances are considered to be any variances greater than R4 million.

THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2017

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
STATEMENT OF FINANCIAL PERFORMANCE					
REVENUE					
Property Rates	83 765 658	(498 409)	83 267 249	85 872 817	2 605 568
Service Charges - Electricity Revenue	78 184 373	1 063 712	79 248 085	80 097 564	849 479
Service Charges - Water Revenue	49 219 230	10 523 857	59 743 087	59 574 889	(168 198)
Service Charges - Sanitation Revenue	24 571 711	-	24 571 711	25 607 059	1 035 348
Service Charges - Refuse Revenue	27 394 421	(182 400)	27 212 021	27 526 516	314 495
Service Charges - Other	369 462	-	369 462	1 120 301	750 839
Rental of Facilities and Equipment	1 623 389	(10 803)	1 612 586	1 657 968	45 382
Interest Earned - External Investments	5 000 000	500 000	5 500 000	7 323 159	1 823 159
Interest Earned - Outstanding Debtors	7 212 240	787 760	8 000 000	9 868 219	1 868 219
Fines	27 044 565	(5 000 000)	22 044 565	30 620 935	8 576 370
Licences and Permits	2 597 904	(723 259)	1 874 645	2 035 510	160 865
Agency Services	2 813 742	-	2 813 742	2 865 214	51 472
Transfers Recognised - Operational	130 562 804	(5 566 801)	124 996 003	95 491 269	(29 504 734)
Other Revenue	3 563 591	776 942	4 340 533	13 494 475	9 153 942
Gain on Disposal of PPE	2 381 555	-	2 381 555	296 738	(2 084 817)
Total Revenue (excluding capital transfers)	446 304 645	1 670 599	447 975 244	443 452 633	(4 522 611)
EXPENDITURE					
Employee Related Costs	171 729 799	(5 552 967)	166 176 832	166 897 769	720 937
Remuneration of Councillors	10 990 305	(573 895)	10 416 410	9 986 691	(429 719)
Debt Impairment	43 653 800	15 436 720	59 090 520	60 300 032	1 209 512
Depreciation and Asset Impairment	27 262 818	(1 010 930)	26 251 888	23 097 207	(3 154 681)
Finance Charges	12 761 600	2 700 000	15 461 600	14 237 969	(1 223 631)
Bulk Purchases	67 129 354	-	67 129 354	67 125 660	(3 694)
Transfers and Grants	1 500 000	800 000	2 300 000	2 285 090	(14 910)
Other Expenditure	133 420 439	(11 449 955)	121 970 484	88 793 403	(33 177 081)
Total Expenditure	468 448 115	348 973	468 797 088	432 723 821	(36 073 267)
Surplus/(Deficit)	(22 143 470)	1 321 626	(20 821 844)	10 728 812	31 550 656
Transfers Recognised - Capital	34 365 537	3 781 712	38 147 249	38 415 910	268 661
Contributed Assets	-	-	-	147 049	147 049
Surplus/(Deficit) for the year	12 222 067	5 103 338	17 325 405	49 291 771	31 966 366

Refer to note 53.3 for explanations of material variances.

Material variances are considered to be any variances greater than 4 million.

THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 30 JUNE 2017

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
CASH FLOW STATEMENT					
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Property rates, penalties & collection charges	79 564 034	(4 623 510)	74 940 524	79 639 759	4 699 235
Service charges	159 063 086	12 966 843	172 029 929	170 541 163	(1 488 766)
Other revenue	17 662 203	(2 175 893)	15 486 310	26 851 637	11 365 327
Government	164 928 341	(4 406 661)	160 521 680	137 391 864	(23 129 816)
Interest	9 922 527	(422 527)	9 500 000	7 323 159	(2 176 841)
Payments					
Suppliers and Employees	(383 042 833)	18 978 740	(364 064 093)	(332 145 909)	31 918 184
Finance Charges	(11 461 600)	(1 903 520)	(13 365 120)	(10 335 889)	3 029 231
Transfers and Grants	(1 500 000)	(800 000)	(2 300 000)	(2 285 090)	14 910
Net Cash from/(used) Operating Activities	35 135 758	17 613 472	52 749 230	76 980 693	24 231 463
CASH FLOW FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	2 381 555	-	2 381 555	1 908 478	(473 077)
Decrease/(Increase) in Other Non-Current Receivables	(6 811)	8 132	1 321	(918 940)	(920 261)
Decrease (increase) in non-current investments	(9 832 136)	9 832 136	-	-	-
Payments					
Capital Assets	(58 031 040)	(13 615 121)	(71 646 161)	(63 010 433)	8 635 728
Net Cash from/(used) Investing Activities	(65 488 432)	(3 774 853)	(69 263 285)	(62 020 895)	7 242 390
CASH FLOW FROM FINANCING ACTIVITIES					
Receipts					
Borrowing long term/refinancing	11 358 965	2 430 269	13 789 234	-	(13 789 234)
Increase/(Decrease) in Consumer Deposits	247 602	10 244	257 846	407 331	149 485
Payments					
Repayment of Borrowing	(7 625 567)	139 418	(7 486 149)	(7 486 149)	(0)
Net Cash from/(used) Financing Activities	3 981 000	2 579 931	6 560 931	(7 078 818)	(13 639 749)
NET INCREASE/(DECREASE) IN CASH HELD	(26 371 674)	16 418 551	(9 953 123)	7 880 980	17 834 103
Cash and Cash Equivalents at the year begin	50 927 899	5 514 567	56 442 466	56 442 470	3
Cash and Cash Equivalents at the year end	24 556 225	21 933 118	46 489 343	64 323 450	17 834 107

Refer to note 53.4 for explanations of material variances.

Material variances are considered to be any variances greater than R4 million.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

1 ACCOUNTING POLICIES

1.01 BASIS OF PREPARATION

The financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, unless specified otherwise.

The financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 (Revised – November 2013) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

Assets, liabilities, revenue and expenses have not been offset, except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated otherwise. The details of any changes in accounting policies are explained in the relevant notes to the financial statements.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

1.02 TRANSITIONAL PROVISIONS

The Municipality resolved to take advantage of the following transitional provisions:

In term of Directive 7 - "The Application of Deemed Cost on the Adoption of Standards of GRAP", the Municipality applied deemed cost to Investment Property and Property, Plant and Equipment where the acquisition cost of an asset could not be determined.

1.03 PRESENTATION CURRENCY

The financial statements are presented in South African Rand, rounded off to the nearest Rand, which is the Municipality's functional currency.

1.04 GOING CONCERN ASSUMPTION

These financial statements have been prepared on a going concern basis.

1.05 COMPARATIVE INFORMATION

1.05.1 Prior year comparatives

When the presentation or classification of items in the financial statements are amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

1.05.2 Amended Accounting Policies

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements.

No significant amendments were made to the accounting policy in the current year.

1.06 MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

1.07 BUDGET INFORMATION

Budget information is presented on the accrual basis and is based on the same fiscal period as the actual amounts.

The Statement of Comparison of Budget and Actual Amounts includes the comparison between the approved and final budget amounts, as well as a comparison between the actual amounts and final budget amounts.

The disclosure of comparative information in respect of the previous period is not required by the Standards of GRAP.

1.08 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

1.08.1 Effective dates determined

Where a Standard of GRAP has been issued but is not yet effective, the Municipality may resolve to early adopt such a Standard of GRAP if an effective date has been determined by the Minister of Finance.

The Municipality resolved to early adopt any of the following amended Standards of GRAP which were issued but are not yet effective:

Standard	Description	Effective Date
GRAP 12 (2017)	Inventories	1 April 2018
GRAP 16 (2017)	Investment Property	1 April 2018
GRAP 17 (2017)	Property, Plant and Equipment	1 April 2018
GRAP 21 (2017)	Impairment of non-cash-generating assets	1 April 2018
GRAP 26 (2017)	Impairment of cash-generating assets	1 April 2018
GRAP 27 (2017)	Agriculture	1 April 2018
GRAP 31 (2017)	Intangible Assets	1 April 2018
GRAP 103 (2017)	Heritage Assets	1 April 2018
GRAP 106 (2017)	Transfer of Functions Between Entities Not Under Common Control	1 April 2018

The effect of the above-mentioned amended Standards of GRAP which were early adopted is considered insignificant. The amendments to the Standards of GRAP mainly relate to the clarification of accounting principles.

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

The Municipality resolved not to early adopt the following Interpretation of the Standard of GRAP which was issued but is not yet effective:

Standard	Description	Effective Date
iGRAP 18 (2017)	Recognition and Derecognition of Land	1 April 2019

When the above-mentioned Interpretation of the Standards of GRAP becomes effective, the effect will be insignificant as the Municipality's current treatment is already in line with the interpretation's requirements and will only result in additional disclosure.

The Municipality further resolved not to early adopt Directive 12 - "The Selection of an Appropriate Reporting Framework by Public Entities" (effective 1 April 2018) as this Directive is not applicable to municipalities and will have no impact on the Municipality once it becomes effective.

1.08.2 Effective dates not yet determined

Where a Standard of GRAP has been issued but not yet effective and the Minister of Finance has not yet determined an effective date, the Municipality may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event.

The following original Standards of GRAP have been issued but are not yet effective as the Minister of Finance has not yet determined the effective date for application:

1.08.2.1 GRAP 18 - Segment Reporting (February 2011)

The objective of this Standard is to establish principles for reporting financial information by segments.

Preliminary investigations indicated that, other than additional disclosure, the impact of the Standards on the financial statements will be not be significant.

1.08.2.2 GRAP 20 - Related Party Disclosure (June 2011)

The objective of this Standard is to ensure that a Municipality's financial statements contains the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

The Municipality resolved to develop an accounting policy as set out in note 1.36 and also adopt the disclosure requirements of this Standard.

The impact of this Standard on the financial statements will be minimal.

1.08.2.3 GRAP 32 - Service Concession Arrangements: Grantor (August 2013)

The objective of this Standard is to prescribe the accounting for service concession arrangements by the grantor and a public sector entity.

Preliminary investigations indicated that, other than possibly additional disclosure, the impact of the Standards on the financial statements will be not be significant.

1.08.2.4 GRAP 34 - Separate Financial Statements (Original - March 2017)

The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements.

No significant impact is expected as the Municipality has no investments in any entities.

1.08.2.5 GRAP 35 - Consolidated Financial Statements (Original - March 2017)

The objective of this Standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

No significant impact is expected as the Municipality does not control any entities.

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1.08.2.6 GRAP 36 - Investments in Associates and Joint Ventures (Original - March 2017)

The objective of this Standard is to prescribe the accounting for investments in associates and joint ventures and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

No significant impact is expected as the Municipality does not have investments in any associates or joint ventures.

1.08.2.7 GRAP 37 - Joint Arrangements (Original - March 2017)

The objective of this Standard is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).

No significant impact is expected as the Municipality does not have an interest in any arrangements that are controlled jointly.

1.08.2.8 GRAP 38 - Disclosure of Interests in Other Entities (Original - March 2017)

The objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate:

- (a) the nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and
- (b) the effects of those interests on its financial position, financial performance and cash flows.

No significant impact is expected as the Municipality does not have an interest in any entities, associates, joint ventures or joint arrangements.

1.08.2.9 GRAP 108 - Statutory Receivables (September 2013)

The objective of this Standard is to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

The Municipality resolved to develop an accounting policy as set out in note 1.2.

The impact of this Standard on the financial statements will be minimal.

1.08.2.10 GRAP 109 - Accounting by Principles and Agents (July 2015)

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement.

Preliminary investigations indicated that significant impact is expected, as the Municipality's current accounting treatment regarding housing grants are not in line with the future reporting requirements of the Standard.

1.08.2.11 GRAP 110 - Living and Non-living Resources (Original - March 2017)

The objective of this Standard is to prescribe the:

- (a) recognition, measurement, presentation and disclosure requirements for living resources; and
- (b) disclosure requirements for non-living resources.

Preliminary investigations indicated that the Municipality's non-living resources do not fall within the scope of this Standard.

1.08.2.12 IGRAP 17 - Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset (August 2015)

This Interpretation of the Standards provides guidance to the grantor where it has entered into a service concession arrangement, but only controls a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease.

Preliminary investigations indicated that, other than possibly additional disclosure, the impact of the Standards on the financial statements will be not be significant.

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1.09 RESERVES

1.09.1 Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR.

The following provisions are set for the creation and utilisation of the CRR:

- (a) The cash funds that back up the CRR are invested until utilised.
- (b) The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment, and may not be used for the maintenance of these items.
- (c) Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR and the accumulated surplus is credited by a corresponding amount.

1.10 INVESTMENT PROPERTY

1.10.1 Initial Recognition

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, for administration purposes, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use, is also classified as investment property.

Investment property is recognised as an asset when it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the Municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially measured at cost on its acquisition date. The cost of investment property is the purchase price and other costs attributable to bring the asset to a condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where an investment property is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition and any other costs attributable to bring the asset to a condition necessary for it to be capable of operating in the manner intended by the Municipality. The cost of self-constructed investment property is the cost at date of completion. Transfers are made to or from investment property only when there is a change in use.

Where investment property is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

1.10.2 Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

1.10.3 Depreciation – Cost Model

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Depreciation of an asset ceases at the date that the asset is derecognised.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The depreciation method is reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

At each reporting date the Municipality assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate accounted for on the a prospective basis.

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The annual depreciation rates are based on the following estimated useful lives:

	YEARS
Buildings	20 - 100

1.10.4 Impairment

Investment property is reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.10.5 Derecognition

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance in the period of the retirement or disposal.

Compensation from third parties for items of investment property that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

1.11 PROPERTY, PLANT AND EQUIPMENT

1.11.1 Initial Recognition

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost or fair value of the item can be measured reliably.

Items of property, plant and equipment are initially recognised at cost on its acquisition date. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired through a non-exchange transaction, the cost is deemed to be equal to the fair value of that asset as at date of acquisition and any other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment.

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1.11.2 Subsequent Measurement - Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits or service potential associated with the asset.

1.11.3 Depreciation

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Depreciation of an asset ceases at the date that the asset is derecognised.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The depreciation method is reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

At each reporting date the Municipality assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate accounted for on the a prospective basis.

The annual depreciation rates are based on the following estimated useful lives:

	YEARS		YEARS
Land and Buildings		Leased Assets	
Land	N/A	Office Equipment	3 - 15
Buildings	20 - 100		
Work in progress	N/A	Other Assets	
		Vehicles	5 - 30
Infrastructure		Tools & Equipment	5 - 35
Roads and Storm water	5 - 150	Furniture	5 - 20
Electricity Network	10 - 100	Special Vehicles	10 - 35
Sewerage Network	10 - 200	Tables	5 - 20
Water Network	10 - 200	Chairs	5 - 20
Refuse Removal	20 - 50	Office Equipment	3 - 15
Work in progress	N/A	Computer Hardware	3 - 15
		Other	15
Community Assets			
Parks and Gardens	15 - 20		
Cemeteries	30		

1.11.4 Impairment

Property, plant and equipment is reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.11.5 Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

1.12 INTANGIBLE ASSETS

1.12.1 Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

The Municipality recognises an intangible asset only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost on its acquisition date. The cost of an intangible asset is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost is measured at its fair value at the date of acquisition and any other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Internally generated intangible assets are subject to a strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) its intention to complete the intangible asset and use or sell it;
- (c) its ability to use or sell the intangible asset;
- (d) how the intangible asset will generate probable future economic benefits or service potential;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

1.12.2 Subsequent Measurement - Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and any accumulated impairments losses.

1.12.3 Amortisation

The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is still subject to an annual impairment test.

Amortisation of an intangible with a finite life asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Amortisation ceases at the date that the asset is derecognised.

Amortisation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the intangible assets. The amortisation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The residual value of an intangible asset with a finite useful life is considered to be zero.

The amortisation period and amortisation method are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

The annual amortisation rates are based on the following estimated useful lives:

	Years
Computer Software	3 - 15

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1.12.4 Impairment

Intangible assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.12.5 Derecognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.13 HERITAGE ASSETS

1.13.1 Initial Recognition

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance and is held and preserved indefinitely for the benefit of present and future generations.

A heritage asset is recognised as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the Municipality, and the cost or fair value of the asset can be measured reliably.

Heritage assets are initially recognised at cost on its acquisition date. The cost of heritage assets is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, the cost is deemed to be equal to the fair value of that asset as at date of acquisition and any other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where a heritage asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

1.13.2 Subsequent Measurement – Cost Model

Heritage assets are carried at its cost less any accumulated impairment losses.

1.13.3 Depreciation

Heritage assets are not depreciated.

1.13.4 Impairment

Heritage assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

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1.13.5 Derecognition

Heritage assets are derecognised when it is disposed or when there are no further economic benefits expected from the use of the heritage asset.

The gain or loss arising on the disposal or retirement of a heritage asset is determined as the difference between the sales proceeds and the carrying value of the heritage asset and is recognised in the Statement of Financial Performance.

Compensation from third parties for heritage assets that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

1.14 IMPAIRMENT OF NON-MONETARY ASSETS

An impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

Cash-generating assets are assets held with the primary objective of generating a commercial return. Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Municipality estimates the recoverable amount of the asset.

1.14.1 Recoverable amount of Cash-generating assets

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

The best evidence of fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

1.14.2 Recoverable amount of Non-cash-generating assets

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use.

The value in use for a non-cash generating asset is the present value of the asset's remaining service potential. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

1.14.3 Impairment loss

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

An impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation decrease in accordance with that Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

1.14.4 Reversal of an impairment loss

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

A reversal of an impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation increase in accordance with that Standard of GRAP.

After the reversal of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.15 INVENTORIES

1.15.1 Initial Recognition

Inventories are assets:

- (a) in the form of materials or supplies to be consumed in the production process;
- (b) in the form of materials or supplies to be consumed or distributed in the rendering of services;
- (c) held for sale or distribution in the ordinary course of operations; or
- (d) in the process of production for sale or distribution.

Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably.

Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventories are acquired through a non-exchange transaction, the cost is measured at the fair value as at the date of acquisition plus any other costs in bringing the inventories to their current location and condition.

1.15.2 Subsequent Measurement

When inventories are sold, exchanged or distributed the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expense is recognised when the goods are distributed, or related service is rendered.

Inventories are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution. Current replacement cost is the cost the Municipality would incur to acquire the asset on the reporting date.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories is recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The basis of allocating cost to inventory items is the weighted average method.

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At reporting date, the water volume is determined by way of dip readings and the calculated volume in the distribution network. Water inventory is then measured by multiplying the cost per kilo litre of purified water by the amount of water in storage.

Cost of land held for sale is assigned by using specific identification of their individual costs.

1.16 EMPLOYEE BENEFITS

Defined-contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year during which they become payable.

Defined-benefit plans are post-employment benefit plans other than defined-contribution plans.

1.16.1 Post-Retirement Benefits

The Municipality provides retirement benefits for its employees and councillors. Retirement benefits consist of defined-contribution plans and defined-benefit plans.

1.16.1.1 Multi-employer defined benefit plans

The Municipality contributes to various National- and Provincial-administered defined benefit plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year they become payable. These defined benefit funds are actuarially valued on the projected unit credit method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

1.16.1.2 Post Retirement Medical Benefits

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% is paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined. The plan is unfunded.

Contributions are recognised in the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability is calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the present value of the defined benefit obligation at the reporting date, minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly, plus any liability that may arise as a result of a minimum funding requirements. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, are recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.16.2 Long-term Benefits

1.16.2.1 Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries annually and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

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1.16.3 Short-term Benefits

1.16.3.1 Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at reporting date and also on the total remuneration package of the employee.

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term. Accumulated leave is vesting.

1.16.3.2 Bonuses

The liability for staff bonuses is based on the accrued bonus for each employee at reporting date.

1.16.3.3 Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrue to Section 57 employees. Provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.16.3.4 Other Short-term Employee Benefits

When an employee has rendered service to the Municipality during a reporting period, the Municipality recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- (a) as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the Municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- (b) as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

1.17 PROVISIONS

A provision is a liability of uncertain timing or amount. Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received if the Municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement will not exceed the amount of the provision. In the Statement of Financial Performance, the expense relating to a provision may be presented net of the amount recognised for a reimbursement.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The Municipality has a detailed formal plan for the restructuring identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented.
- (b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is derecognised.

1.18 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

1.18.1 Municipality as Lessee

1.18.1.1 Finance Leases

At the commencement of the lease term, the Municipality recognises assets acquired under finance leases as assets and the associated lease obligations as liabilities in the Statement of Financial Position.

At the inception of the lease, the assets and liabilities are recognised at the lower of the fair value of the leased property and the present value of the minimum lease payments. The discount rate to be used in calculating the present value of the minimum lease payment is the interest rate implicit in the lease. If the rate implicit to the lease is not available the Municipality's incremental borrowing rate is used. Any initial direct costs of the Municipality are added to the amount recognised as an asset.

Subsequent to initial recognition, the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents, if any, are charged as expenses to the Statement of Financial Performance in the periods in which they are incurred. The leased assets are accounted for in accordance with the stated accounting policies applicable to the assets.

1.18.1.2 Operating leases

Lease payment under an operating lease is recognised as an expense in the Statement of Financial Performance on a straight-line basis over lease term, unless another systematic basis is more representative of the time pattern of the user's benefit. The difference between the straight-lined expenses and actual payments made will give rise to a liability.

1.18.2 Municipality as Lessor

1.18.2.1 Finance Leases

The Municipality recognises lease payments receivable under a finance lease as assets (receivable) in the Statement of Financial Position. The asset (receivable) is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease.

The asset (receivable) is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis in the Statement of Financial Performance.

1.18.2.2 Operating Leases

Operating lease revenue is recognised in the Statement of Financial Performance on a straight-line basis over the term of the relevant lease, unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. The difference between the straight-lined revenue and actual payments received will give rise to an asset.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

1.19 FINANCIAL INSTRUMENTS

1.19.1 Initial Recognition

Financial instruments (financial assets and financial liabilities) are recognised on the Municipality's Statement of Financial Position when it becomes party to the contractual provisions of the instrument.

Financial instruments are initially recognised at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

1.19.2 Subsequent Measurement

Financial instruments are categorised as follow:

- (a) **Financial instruments at amortised cost** are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. They are included in current assets or current liabilities, except for maturities greater than 12 months, which are classified as non-current. After initial recognition, both financial assets and financial liabilities are measured at amortised cost, using the effective interest rate method. Financial assets are also subject to an impairment review.
- (b) **Financial instruments at cost** are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured. Both financial assets and financial liabilities are subsequently measured at cost. Financial assets are subject to an impairment review.
- (c) **Financial instruments at fair value** comprise of financial assets or financial liabilities that are:
 - (i) derivatives;
 - (ii) combined instruments that are designated at fair value;
 - (iii) instruments held for trading;
 - (iv) non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
 - (v) financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Both, financial assets and financial liabilities are subsequently measured at fair value with unrealised gains or losses recognised directly in the Statement of Financial Performance.

1.19.3 Impairment and uncollectability of financial assets

Financial assets, other than those at fair value, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence of impairment of financial assets.

1.19.3.1 Financial assets measured at amortised cost

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Cash flows relating to short-term financial assets are not discounted where the effect of discounting is immaterial. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment is reversed by adjusting an allowance account. The amount of the reversal is recognised in Statement of Financial Performance.

1.19.3.2 Financial assets measured at cost

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses is not be reversed.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

1.19.4 Derecognition of financial instruments

1.19.4.1 Financial assets

The Municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Financial assets (receivables) are also derecognised when Council approves the write-off of financial assets due to non-recoverability.

If the Municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the Municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

1.19.4.2 Financial liabilities

The Municipality derecognises financial liabilities when the Municipality's obligations are discharged, cancelled or they expire.

The Municipality recognises the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in the Statement of Financial Performance.

1.19.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.20 STATUTORY RECEIVABLES

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Statutory receivables can arise from both exchange and non-exchange transactions.

1.20.1 Initial Recognition

Statutory receivables are recognised when the related revenue (exchange or non-exchange revenue) is recognised or when the receivable meets the definition of an asset. The Municipality initially measure statutory receivables at their transaction amount.

1.20.2 Subsequent Measurement

The Municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is subsequently changed to reflect any interest or other charges that may have accrued on the receivable, less any impairment losses and amounts derecognised.

1.20.3 Impairment and uncollectability of statutory receivables

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired.

If there is an indication that a statutory receivable may be impaired, the Municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable is reduced, through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating the future cash flows, the Municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the Municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and any risks specific to the statutory receivable for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows. Any previously recognised impairment loss is adjusted by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

1.20.4 Derecognition

The Municipality derecognises a statutory receivable when the rights to the cash flows from the receivable are settled, expire or are waived or the Municipality transfers the receivable and substantially all the risks and rewards of ownership of the receivable to another entity.

When the Municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of receivable to another entity, the Municipality derecognises the receivable and recognises separately any rights and obligations created or retained in the transfer.

1.21 CASH AND CASH EQUIVALENTS

Cash includes cash on hand, cash held with banks, and call deposits. Cash equivalents are short-term highly liquid investments with registered banking institutions with maturities of three months or less from inception, readily convertible to cash without significant change in value.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred in the Statement of Financial Performance.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdrafts.

1.22 RECEIVABLES

Receivables are recognised initially at fair value, which approximates amortised cost less provision for impairment. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of receivables. An estimate is made for impairment of receivables, based on past default experience of all outstanding amounts at reporting date.

Bad debts are written off in the year during which they are identified as irrecoverable, subject to the approval by the appropriate delegated authority. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the Statement of Financial Performance.

1.23 TAXES (VALUE ADDED TAX)

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included in the Statement of Financial Position. The Municipality accounts for value-added tax (VAT) on the payment basis.

1.24 NON-CURRENT INVESTMENTS

Investments which include investments in listed shares and fixed deposits invested in registered commercial banks.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Financial Performance.

1.25 PAYABLES AND ANNUITY LOANS

Payables and annuity loans are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

1.26 CONSUMER DEPOSITS

Consumer deposits are disclosed as a current liability. Consumer deposits are levied in line with council's policy to consumers when services are initially connected. When services are disconnected or terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

1.27 CONDITIONAL GOVERNMENT GRANTS AND PUBLIC CONTRIBUTIONS

Grants, transfers and donations received or receivable are recognised as assets when the resources that have been transferred to the Municipality meet the definition and criteria for recognition as assets.

Conditional grants, transfers and donations are recognised as revenue to the extent that the Municipality has complied with the conditions embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the conditions have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

The liability recognised to the extent that the conditions associated with the grant, transfer or donation have not been met, always has to be cash-backed. The cash which backs up the liability is invested as a individual investment or part of the general investments of the Municipality until it is utilised.

Interest earned on investments of grants, transfers and donations are treated in accordance with conditions as stipulated in the agreement. If it is payable to the grantor it is recorded as part of the creditor and if it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.28 REVENUE

At the time of initial recognition, the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the Municipality has no intention of collecting this revenue. Where the Municipality has no intention of collecting the revenue, rebates and discounts are offset against the related revenue. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

1.28.1 Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange.

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

1.28.1.1 Taxation Revenue

Taxation revenue comprises of property rates. Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

1.28.1.2 Transfer Revenue

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred, meet the criteria for recognition as an asset. A corresponding liability is recognised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met.

Grants, transfers and donations without any conditions attached are recognised as revenue when the asset is recognised.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

1.28.1.3 Fines

Fine Revenue constitutes both spot fines and summonses. Any fine reductions or cancellations subsequent to the fine issue date is recorded as a write-off against the provision raised for debt impairment.

1.28.1.4 Insurance Receipts

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

1.28.1.5 Unclaimed deposits

All unclaimed deposits are initially recognised as a liability until 12 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue. Historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. Therefore the substance of these transactions indicate that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognise all unclaimed monies older than twelve months as revenue. Although unclaimed deposits are recognised as revenue after 12 months, the Municipality still keep record of these unclaimed deposits for three years in the event that a party should submit a claim after 12 months, in which case it will be expensed.

1.28.1.6 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

Income from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the MFMA (Act 56 of 2003), and is recognised upon the recovery thereof from the responsible party.

1.28.1.7 Services in-kind

Services in-kind include services provided by individuals to the Municipality at no charge or where the Municipality has the right to use assets at no charge.

The Municipality's recognises services in-kind that are significant to its operations as assets and recognises the related revenue when it is probable that the future economic benefits or service potential will flow to the Municipality and the fair value of the assets can be measured reliably.

When the criteria for recognition is satisfied, services in-kind are recognised at their fair value as at the date of acquisition.

If the services in-kind are not significant to the Municipality's operations or does not satisfy the criteria for recognition, the Municipality only disclose the nature and type of services in-kind received during the reporting period.

1.28.1.8 Contributed Assets

Contributed assets are recognised at fair value when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

1.28.2 Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

1.28.2.1 Service Charges

Service Charges are levied in terms of approved tariffs.

Service charges relating to electricity and water are based on consumption and a basic charge as per the approved tariffs. Meters are read on a monthly basis and are recognised as revenue when invoiced. Where the Municipality was unable to take the actual month's reading of certain consumers, a provisional estimate of consumption for that month will be created, based on consumption history. The provisional estimates of consumption are recognised as revenue when invoiced, except at reporting date when estimates of consumption up to the reporting date are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

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Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. It is estimated that pre-paid electricity is consumed within 5 to 7 days after date of purchase. The pre-paid electricity sold, but not consumed yet at reporting date is recognised as a liability under Payables from Exchange Transactions in the Statement of Financial Position.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to each property. These service charges are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved and are levied on a monthly basis.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

1.28.2.2 *Interest earned*

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

1.28.2.3 *Rental income*

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

1.28.2.4 *Income from Agency Services*

Revenue arising out of situations where the Municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the Municipality as compensation for executing the agreed services.

Income from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

1.28.2.5 *Other Tariffs*

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

1.28.2.6 *Sale of goods*

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- (a) The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods.
- (b) The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- (c) The amount of revenue can be measured reliably.
- (d) It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.28.2.7 *Deferred payment*

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

1.29 **BORROWING COSTS**

Borrowing costs that are incurred by the Municipality are expensed in the Statement of Financial Performance in the period during which they are incurred, regardless of how the borrowings are applied.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

1.30 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.31 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.32 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.33 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

1.34 CAPITAL COMMITMENTS

Capital commitments disclosed in the financial statements represents the contractual balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

1.35 EVENTS AFTER REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- (b) those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

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1.36 RELATED PARTIES

The Municipality regards a related party as a person or an entity with the ability to control the Municipality either individually or jointly, or the ability to exercise significant influence over the Municipality, or vice versa.

Management is regarded as a related party and comprises the Councillors, Executive Mayor, Deputy Mayor, Speaker, Mayoral Committee members, Municipal Manager, executive directors and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

A close family member of management is also considered to be related party. A person is considered to be a close member of the family of another person if they are married or live together in a relationship similar to a marriage or are separated by no more than two degrees of natural or legal consanguinity or affinity.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms, are disclosed.

1.37 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

1.37.1 Application of Directive 7

For deemed cost applied to Property, Plant and Equipment as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

GRAP implementation date for the Municipality is 1 July 2007 which is also the date applicable when applying Directive 7. The GRAP compliant period is therefore determined to be from 1 July 2007 to the current year's reported date. Where the economic useful life of an item of Property, Plant and Equipment is less than the GRAP compliant period, it is assumed that the item was either incorrectly written off in the past, or that the capital expenditure of the said item was incorrectly included in surplus. In such cases the item shall not be recognised on GRAP implementation date, but shall be taken into account on that date of the opening balances of the comparative amounts.

1.37.2 Impairment of Receivables

The calculation in respect of the impairment of receivables is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

1.37.3 Useful lives and residual values

The useful lives of assets are based on management's estimates. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

The estimated residual values of assets are also based on management's judgement on whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

1.37.4 Impairment of non-monetary assets

Non-monetary assets can include, but is not limited to, Property, Plant and Equipment, Investment Property and Intangible assets.

The Municipality is not a profit-oriented entity, as its primary objective is service delivery. Tariffs and charges are cost-reflective to ensure continued financial sustainability. No profit element is included in the determination of a tariff. As such, management has determined that the Municipality does not control assets that meet the definition of cash-generating assets and that the Standard of GRAP on Impairment of Non-cash-generating Assets will apply to all assets of the Municipality.

The calculation in respect of the impairment of non-monetary assets is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount. This calculation will only be performed if there is an indication of an impairment.

1.37.5 Post-Retirement and Long-term Benefits

The cost of post retirement medical benefits and long-service awards are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

1.37.6 Provisions and Contingent Liabilities

Management's judgement is required when recognising and measuring provisions, as well as when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site. The discount rate used to calculate the effect of time value of money is linked to the index for earthwork as published by Statistics South Africa.

1.37.7 Financial assets and liabilities

The classification of financial assets and liabilities, into categories, is based on judgement by management. In making the judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in the Standard of GRAP on Financial Instruments.

1.37.8 Revenue Recognition

Accounting Policy on Revenue from Non-Exchange Transactions and Accounting Policy on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as prescribed in the Standard of GRAP on Revenue from Exchange Transactions and Standard of GRAP on Revenue from Non-Exchange Transactions. Specifically, when goods are sold, whether the significant risks and rewards of ownership of the goods have been transferred to the buyer and when services are rendered, whether the service has been performed.

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CASH AND CASH EQUIVALENTS

Bank Accounts	26 279 841	5 901 496
Call Investment Deposits	38 033 259	50 530 424
Cash Floats	10 350	10 550
Total	64 323 450	56 442 470

Due to the short term nature of cash deposits, all balances included above are in line with their fair values.

Cash and Cash Equivalents are held to support the following commitments:

Unspent Conditional Grants	9 824 512	5 258 808
Unspent Public Contributions	306 005	361 909
Capital Replacement Reserve	13 385 570	8 599 462
Working Capital Requirements	40 807 363	42 222 291
Total Cash and Cash Equivalents	64 323 450	56 442 470

Bank Accounts

ABSA Bank Limited - Account Number 40-5786-6237 (Primary Bank Account)	26 279 841	5 901 496
ABSA Bank Limited - Account Number 08-2014-6603 (Income Account)	-	-
ABSA Bank Limited - Account Number 40-5915-5676 (Traffic account)	-	-
Total	26 279 841	5 901 496

ABSA Bank Limited - Account Number 40-5786-6237 (Primary Bank Account)

Cash book balance at beginning of year	5 901 496	17 743 217
Cash book balance at end of year	26 279 841	5 901 496
Bank statement balance at beginning of year	60 434 220	10 871 548
Bank statement balance at end of year	25 737 671	60 434 220

The Municipality has one guarantee of R15 000 in the name of the beneficiary, Eskom.

The Municipality has a standing overdraft limit of R2 500 000 at ABSA Bank.

ABSA Bank Limited - Account Number 08-2014-6603 (Income Account)

Cash book balance at beginning of year	-	-
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-

Income account is cleared daily to Primary Bank Account.

ABSA Bank Limited - Account Number 40-5915-5676 (Traffic account)

Cash book balance at beginning of year	-	-
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-

Traffic account is cleared daily to Primary Bank Account.

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2 CASH AND CASH EQUIVALENTS (CONTINUED)

Call Investment Deposits

Call investment deposits consist out of the following accounts:

Interneuron Capital Ltd	- Notice deposit	- Account number CA 002	430 224	430 224
ABSA Bank Limited	- 3 months investment	- Account number 93-0013-5651	10 449 831	24 822 332
ABSA Bank Limited	- 3 months investment	- Account number 93-0013-5415	21 350 398	19 883 382
ABSA Bank Limited	- Notice deposit	- Account number 90-9522-5460	6 233 030	5 824 710
			38 463 483	50 960 648
Less: Provision for Impairment			(430 224)	(430 224)
Total			38 033 259	50 530 424

An amount of R 430 224 (2016: R 430 224), included in Call Investment Deposits above, is invested in an institution which is under curatorship. The curators are encashing property developments financed by the investment company before distribution of funds will continue, however it is expected significant capital losses will be incurred. The dates of any possible future cashflows are not known at the reporting date and the full amount has been impaired due to the uncertainty of collectability.

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Service Receivables

Electricity	7 017 339	6 667 315
Water	45 150 173	37 208 880
Refuse	39 829 420	33 769 062
Sewerage	33 790 095	27 760 361
Other	2 277 946	3 282 400
Total Gross Balance	128 064 972	108 688 017
Less: Allowance for Debt Impairment	(105 896 302)	(90 450 330)
Total Net Receivable	22 168 670	18 237 687
As previously reported		18 961 625
Correction of error restatement - note 49.1		(723 938)
Restated balance		18 237 687

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary. Interest of prime +1% is levied on late payments.

Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	90 450 330	76 779 811
Movement in the contribution to the provision	29 324 394	24 221 916
Bad Debts Written off	(13 458 813)	(10 498 966)
Transfer to long-term receivables	(419 610)	(52 431)
Balance at the end of the year	105 896 302	90 450 330

The Allowance for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over the last 12 months. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

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3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2017			
Service Receivables			
Electricity	7 017 339	(1 466 229)	5 551 110
Water	45 150 173	(34 482 698)	10 667 475
Refuse	39 829 420	(36 527 399)	3 302 021
Sewerage	33 790 095	(31 142 030)	2 648 065
Other	2 277 946	(2 277 946)	-
Total	128 064 972	(105 896 302)	22 168 670
30 June 2016			
Service Receivables			
Electricity	6 667 315	(1 328 323)	5 338 992
Water	37 208 880	(29 620 388)	7 588 492
Refuse	33 769 062	(30 288 914)	3 480 147
Sewerage	27 760 361	(26 062 582)	1 697 779
Other	3 282 400	(3 150 123)	132 277
Total	108 688 017	(90 450 330)	18 237 687

Ageing of Receivables from Exchange Transactions

Electricity

Current (0 - 30 days)	5 093 826	5 475 910
1 to 3 months	1 103 477	256 005
Longer than 3 months	820 036	935 400
Total	7 017 339	6 667 315

Water

Current (0 - 30 days)	9 471 109	7 672 656
1 to 3 months	3 373 747	2 033 213
Longer than 3 months	32 305 317	27 503 012
Total	45 150 173	37 208 880

Refuse

Current (0 - 30 days)	2 535 211	3 724 200
1 to 3 months	3 049 235	2 557 417
Longer than 3 months	34 244 974	27 487 444
Total	39 829 420	33 769 062

Sewerage

Current (0 - 30 days)	2 159 462	3 175 698
1 to 3 months	2 511 801	2 156 682
Longer than 3 months	29 118 831	22 427 981
Total	33 790 095	27 760 361

Other

Current (0 - 30 days)	187 599	348 421
1 to 3 months	179 950	278 425
Longer than 3 months	1 910 397	2 655 554
Total	2 277 946	3 282 400

Summary Ageing of all Receivables from Exchange Transactions

Current (0 - 30 days)	19 447 207	20 396 884
1 to 3 months	10 218 210	7 281 742
Longer than 3 months	98 399 555	81 009 391
Total	128 064 972	108 688 017



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4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Service Receivables

Rates	32 171 826	28 228 481
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Other Receivables

	42 022 364	46 320 729
--	------------	------------

Unpaid Traffic Fines	35 579 345	34 893 370
----------------------	------------	------------

Suspense Debtors	6 443 019	11 427 359
------------------	-----------	------------

Total Gross Balance

74 194 190	74 549 210
------------	------------

Less: Allowance for Debt Impairment

(54 480 060)	(49 266 807)
--------------	--------------

Total Net Receivable

19 714 130	25 282 403
------------	------------

As previously reported

26 636 426

Correction of error restatement - note 49.1

(1 107 026)

Correction of error restatement - note 49.2

(246 997)

Restated balance

25 282 403

Rates are payable monthly within 30 days after the date of accounts. An option to pay rates annually is also available and the account must be settled on or before 30 September. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary. Interest of prime +1% is levied on late payments.

Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	49 266 807	41 218 676
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Movement in the contribution to the provision	32 463 771	26 053 863
-----------------------------------------------	------------	------------

Bad Debts Written off	(27 251 189)	(17 838 266)
-----------------------	--------------	--------------

Transfer to long-term receivables	671	(167 466)
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Balance at the end of the year	54 480 060	49 266 807
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The Allowance for impairment of receivables has been made for all consumer balances outstanding based on the payment ratio over the last 12 months. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2017			
Service Receivables			
Rates	32 171 826	(24 643 756)	7 528 069
Other Receivables			
Unpaid Traffic Fines	35 579 345	(29 836 303)	5 743 042
Suspense Debtors	6 443 019	-	6 443 019
Total	74 194 190	(54 480 060)	19 714 130
30 June 2016			
Service Receivables			
Rates	28 228 481	(21 738 878)	6 489 603
Other Receivables			
Unpaid Traffic Fines	34 893 370	(27 527 929)	7 365 441
Suspense Debtors	11 427 359	-	11 427 359
Total	74 549 210	(49 266 807)	25 282 403

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4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

Ageing of Receivables from Non-Exchange Transactions

Rates

Current (0 - 30 days)	5 753 901	4 654 532
1 to 3 months	2 287 528	1 420 778
Longer than 3 months	24 130 396	22 153 171
Total	32 171 826	28 228 481

5 UNPAID CONDITIONAL GOVERNMENT GRANTS

National Government Grants	-	53 458
Provincial Government Grants	34 710	-
Other Grant Providers	152 765	-
Total	187 475	53 458

Detail reconciliations of all grants received and grant conditions met are included in note 27.

6 TAXES

VAT Receivable	2 702 895	2 844 329
VAT Payable prior to Allowance for Debt Impairment	(7 713 070)	(6 083 505)
Less: VAT on Allowance for Debt Impairment	10 415 965	8 927 834
Total	2 702 895	2 844 329
As previously reported		2 650 207
Correction of error restatement - note 49.1		194 122
Restated balance		2 844 329
Reconciliation of VAT on Allowance for Debt Impairment		
Balance at beginning of year	8 927 834	7 462 913
Debt Impairment for current year	1 488 132	1 464 921
Balance at the end of the year	10 415 965	8 927 834

7 OPERATING LEASES

7.1 OPERATING LEASE ASSET

Operating Lease Asset	539 922	540 944
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The operating lease asset is derived from contracts where the Municipality acts as the lessor in the agreement.

Reconciliation of Operating Lease Asset

Balance at the beginning of the year	540 944	495 129
Movement during the year	(1 022)	45 815
Balance at the end of the year	539 922	540 944

The Municipality will receive the following lease payments from contracts that have defined lease payments and terms.

Within 1 Year	1 176 979	1 258 143
Between 1 and 5 Years	1 584 176	1 738 955
After 5 Years	2 020 832	1 950 184
Total operating lease payments	4 781 987	4 947 282

This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.

The Municipality leases a number of land and buildings for periods ranging from 2 to 99 years with escalations of between 1% and 12% per annum.

The Municipality does not engage in any sub-lease arrangements nor did the Municipality receive any contingent rent during the year.



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LONG-TERM RECEIVABLES

Receivables with repayment arrangements	5 828 755	5 061 830
Electricity	181 209	128 728
Water	1 376 977	1 050 869
Refuse	917 501	940 924
Sewerage	197 003	830 276
Other	1 131 108	213 415
Rates	2 024 958	1 897 618
Individual Housing Loans	4 208	5 529
Sub-Total	5 832 963	5 067 359
Less: Current portion of Long-term Receivables	(3 103 264)	(2 755 237)
Receivables with repayment arrangements	(3 101 903)	(2 753 917)
Individual Housing Loans	(1 361)	(1 321)
Total Gross Balance	2 729 699	2 312 121
Less: Allowance for Debt Impairment	(2 726 852)	(2 307 913)
Total	2 847	4 208

Receivables with repayment arrangements

Debtors amounting to R5 828 755 (2016 - R5 061 830) have arranged to settle their account over an re-negotiated period. Total payments to the value of R2 726 852 (2016 - R2 307 913) have been deferred beyond 12 months after year end and subsequently included as part of long-term receivables.

Individual Housing Loans

Housing loans are not currently granted to officials of the Municipality. The outstanding amount relates to prior years and is still collectable. Staff were entitled to housing loans which attract interest at 3-10% per annum and which are repayable over a maximum period of 20 years. These loans are repayable up to the year 2020.

Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	2 307 913	2 088 016
Transfer from Receivables from Exchange Transactions	419 610	52 431
Transfer from Receivables from Non-Exchange Transactions	(671)	167 466
Balance at the end of the year	2 726 852	2 307 913

The allowance for impairment of long-term receivables has been made for all consumer balances subject to repayment arrangements, due to the low level of repayment.

9

INVENTORY

Maintenance Materials	4 574 662	5 316 664
Water	488 413	422 797
Total	5 063 075	5 739 461

Inventory are disclosed at the lower of cost or net realisable value.

The Municipality recognised only purification costs in respect of non-purchased purified water inventory.

No inventory were pledged as security for liabilities.

Inventory written down due to losses identified during the annual stores counts	17 910	52
Inventory recognised as an expense during the year	8 716 208	6 625 964

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INVESTMENT PROPERTY

Investment Property - Carrying Value

66 767 306

67 514 280

The carrying value of Investment Property is reconciled as follows:

Opening Carrying Value

67 514 278

67 596 150

Cost

72 144 156

72 166 156

Accumulated Depreciation

(569 203)

(509 331)

Accumulated Impairment

(4 060 675)

(4 060 675)

Disposals

(685 901)

(20 653)

Cost

(815 220)

(22 000)

Accumulated Depreciation

-

1 347

Accumulated Impairment

129 320

-

Depreciation

(61 073)

(61 219)

Closing Carrying Value

66 767 305

67 514 278

Cost

71 328 936

72 144 156

Accumulated Depreciation

(630 275)

(569 203)

Accumulated Impairment

(3 931 355)

(4 060 675)

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop Investment Property or for repairs, maintenance or enhancements.

Revenue derived from the rental of Investment Property

1 413 713

1 287 550

Repairs and maintenance incurred on Investment Properties

Revenue generating properties

169 676

291 970

Non-revenue generating properties

-

-

Total Repairs and Maintenance

169 676

291 970

11

PROPERTY, PLANT AND EQUIPMENT

	Cost R	Accumulated Depreciation R	Accumulated Impairment R	Carrying Value R
30 June 2017				
Land and Buildings	104 964 993	(3 731 467)	(5 245 710)	95 987 816
Infrastructure	682 853 845	(107 899 509)	-	574 954 335
Community Assets	763 623	(383 843)	-	379 780
Leased Assets	572 037	(411 794)	-	160 243
Other Assets	50 384 376	(15 712 247)	-	34 672 129
Total	839 538 873	(128 138 860)	(5 245 710)	706 154 303
30 June 2016				
Land and Buildings	103 114 711	(3 127 353)	(5 245 710)	94 741 648
Infrastructure	625 897 034	(96 824 019)	-	529 073 015
Community Assets	763 623	(290 694)	-	472 929
Leased Assets	581 077	(245 080)	-	335 997
Other Assets	47 831 120	(14 245 441)	-	33 585 680
Total	778 187 566	(114 732 587)	(5 245 710)	658 209 268
As previously reported				658 284 380
Correction of error restatement - note 49.3				481 333
Correction of error restatement - note 49.4				(556 445)
Restated balance				658 209 268

The leased property, plant and equipment and the buildings are secured as set out in note 16.

Repairs and maintenance pertaining to Property, Plant and Equipment is disclosed in note 41.

The reconciliation of the carrying value of Property, Plant and Equipment is disclosed on the following page:



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of Carrying Value												
30 June 2017	Cost						Accumulated Depreciation and Impairment					Carrying Value
	Opening Balance	Additions	Disposals	Contributed Assets	Transfer to Capital Assets	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance	
Land and Buildings	R	R	R	R	R	R	R	R	R	R	R	R
	103 114 711	1 850 282	-	-	-	104 964 993	8 373 063	604 114	-	-	8 977 177	95 987 816
Land	41 089 609	-	-	-	-	41 089 609	5 245 710	-	-	-	5 245 710	35 843 899
Buildings	60 411 379	-	-	-	-	60 411 379	3 127 353	604 114	-	-	3 731 467	56 679 912
Work in progress	1 613 723	1 850 282	-	-	-	3 464 005	-	-	-	-	-	3 464 005
Infrastructure	625 897 034	56 956 810	-	-	-	682 853 845	96 824 019	11 075 490	-	-	107 899 509	574 954 335
Roads and Storm water	126 911 151	-	-	-	1 882 592	128 793 743	39 763 360	2 870 761	-	-	42 634 122	86 159 622
Electricity Network	66 887 875	-	-	-	14 632 307	81 520 182	11 887 857	1 650 216	-	-	13 538 073	67 982 109
Sewerage Network	139 533 241	-	-	-	31 028 810	170 562 051	18 791 866	3 652 546	-	-	22 444 412	148 117 639
Water Network	127 866 524	-	-	-	6 999 817	134 866 341	26 209 600	2 875 962	-	-	29 085 562	105 780 780
Refuse Removal	383 782	-	-	-	5 583 033	5 966 816	171 337	26 004	-	-	197 341	5 769 475
Work in progress	164 314 460	56 956 810	-	-	(60 126 560)	161 144 711	-	-	-	-	-	161 144 711
Community Assets	763 623	-	-	-	-	763 623	290 694	93 149	-	-	383 843	379 780
Parks and Gardens	561 924	-	-	-	-	561 924	156 231	25 913	-	-	182 144	379 779
Cemeteries	201 699	-	-	-	-	201 699	134 463	67 236	-	-	201 699	0
Leased Assets	581 077	-	(9 040)	-	-	572 037	245 080	172 105	-	(5 391)	411 794	160 243
Office Equipment	581 077	-	(9 040)	-	-	572 037	245 080	172 105	-	(5 391)	411 794	160 243
Other Assets	47 831 120	4 203 341	(1 797 134)	147 049	-	50 384 376	14 245 441	2 341 796	-	(874 990)	15 712 247	34 672 129
Vehicles	4 440 640	376 507	-	-	-	4 817 147	950 327	240 970	-	-	1 191 296	3 625 851
Tools & Equipment	8 847 918	841 043	(844 554)	-	-	8 844 408	3 804 538	542 807	-	(449 262)	3 898 082	4 946 325
Furniture	1 898 862	305 846	(20 032)	-	-	2 184 675	726 359	114 073	-	(5 800)	834 633	1 350 043
Special Vehicles	23 284 713	1 409 151	(175 787)	147 049	-	24 665 127	5 177 513	806 252	-	(59 528)	5 924 237	18 740 890
Tables	548 952	15 338	(42 688)	-	-	521 603	216 665	29 483	-	(10 462)	235 687	285 916
Chairs	997 041	107 806	(79 631)	-	-	1 025 216	389 477	58 315	-	(25 241)	422 551	602 665
Office Equipment	2 779 923	282 716	(80 923)	-	-	2 981 716	1 260 336	229 510	-	(45 086)	1 444 761	1 536 956
Computer Hardware	4 666 388	864 933	(524 238)	-	-	5 007 083	1 627 959	297 831	-	(269 044)	1 656 746	3 350 337
Other	366 683	-	(29 283)	-	-	337 401	92 267	22 554	-	(10 567)	104 254	233 146
	778 187 566	63 010 433	(1 806 174)	147 049	-	839 538 873	119 978 297	14 286 654	-	(880 381)	133 384 570	706 154 303

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11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of Carrying Value													
30 June 2016	Cost							Accumulated Depreciation and Impairment					Carrying Value (Restated)
	Opening Balance	Additions	Disposals	Transfer of Assets		Transfer to Capital Assets	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance	
				R	R								
Land and Buildings	102 836 775	3 653 820	(3 375 884)	-	-	-	103 114 711	8 271 905	400 165	-	(299 007)	8 373 063	94 741 648
Land	40 940 898	148 711	-	-	-	-	41 089 609	5 245 710	-	-	-	5 245 710	35 843 899
Buildings	42 349 739	-	(3 375 884)	-	21 437 524	-	60 411 379	3 026 195	400 165	-	(299 007)	3 127 353	57 284 026
Work in progress	19 546 138	3 505 109	-	-	(21 437 524)	-	1 613 723	-	-	-	-	-	1 613 723
Infrastructure	573 862 754	52 034 281	-	-	-	-	625 897 034	86 913 769	9 910 250	-	-	96 824 019	529 073 015
Roads and Storm water	119 275 224	-	-	-	7 635 927	-	126 911 151	37 155 760	2 607 600	-	-	39 763 360	87 147 791
Electricity Network	53 232 170	-	-	-	13 655 705	-	66 887 875	10 606 138	1 281 719	-	-	11 887 857	55 000 018
Sewerage Network	119 605 454	-	-	-	19 927 787	-	139 533 241	15 361 339	3 430 527	-	-	18 791 866	120 741 375
Water Network	123 412 387	-	-	-	4 454 137	-	127 866 524	23 632 506	2 577 094	-	-	26 209 600	101 656 925
Refuse Removal	383 782	-	-	-	-	-	383 782	158 027	13 310	-	-	171 337	212 445
Work in progress	157 953 736	52 034 281	-	-	(45 673 556)	-	164 314 460	-	-	-	-	-	164 314 460
Community Assets	1 217 194	-	(453 570)	-	-	-	763 623	316 177	95 452	-	(120 935)	290 694	472 929
Parks and Gardens	1 015 494	-	(453 570)	-	-	-	561 924	248 950	28 216	-	(120 935)	156 231	405 692
Cemeteries	201 699	-	-	-	-	-	201 699	67 227	67 236	-	-	134 463	67 236
Lease Assets	581 077	-	-	-	-	-	581 077	71 465	173 615	-	-	245 080	335 997
Office Equipment	581 077	-	-	-	-	-	581 077	71 465	173 615	-	-	245 080	335 997
Other Assets	44 134 537	7 556 758	(3 860 175)	-	-	-	47 831 120	13 209 200	2 538 005	-	(1 501 765)	14 245 441	33 585 680
Vehicles	3 567 448	1 048 242	(175 049)	-	-	-	4 440 640	764 888	241 649	-	(56 210)	950 327	3 490 314
Tools & Equipment	9 748 919	1 188 312	(2 089 312)	-	-	-	8 847 918	3 929 199	672 930	-	(797 591)	3 804 538	5 043 380
Furniture	1 771 049	256 821	(129 008)	-	-	-	1 898 862	663 908	106 221	-	(43 769)	726 359	1 172 502
Special Vehicles	20 075 865	3 665 664	(456 816)	-	-	-	23 284 713	4 457 899	838 270	-	(118 656)	5 177 513	18 107 200
Tables	502 820	69 455	(23 323)	-	-	-	548 952	192 829	30 352	-	(6 516)	216 665	332 287
Chairs	915 505	118 605	(37 069)	-	-	-	997 041	340 321	59 361	-	(10 205)	389 477	607 563
Office Equipment	2 547 273	604 769	(372 119)	-	-	-	2 779 923	1 174 863	211 835	-	(126 362)	1 260 336	1 519 586
Computer Hardware	4 758 419	396 527	(488 559)	-	-	-	4 666 388	1 582 859	356 069	-	(310 970)	1 627 959	3 038 429
Other	247 240	208 363	(88 920)	-	-	-	366 683	102 435	21 318	-	(31 486)	92 267	274 417
	722 632 336	63 244 859	(7 689 629)	-	-	-	778 187 566	108 782 517	13 117 487	-	(1 921 707)	119 978 297	658 209 268

Previously work in progress was included per asset sub class. Due to new requirements as per GRAP 17, work in progress is required to be separately disclosed. Accordingly, the assets per sub classes were adjusted in order to disclose the work in progress as a separate line item.

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12 INTANGIBLE ASSETS

Intangible Assets - Carrying Value

1 406 277

1 630 650

The carrying value of intangible Assets is reconciled as follows:

Opening Carrying Value

1 630 650

291 586

Cost

2 242 407

838 604

Accumulated Depreciation

(611 758)

(547 019)

Accumulated Impairment

-

-

Additions

-

1 429 883

Amortisation

(224 373)

(81 597)

Disposal

-

(9 222)

Cost

-

(26 080)

Accumulated Depreciation

-

16 858

Closing Carrying Value

1 406 277

1 630 650

Cost

2 242 407

2 242 407

Accumulated Depreciation

(836 131)

(611 758)

Accumulated Impairment

-

-

The following material intangible assets are included in the carrying value above

Description

Remaining amortisation period

Carrying Value

Computer software/licenses

2 - 10 years

1 406 277

1 630 650

No intangible asset were assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities.

There are no contractual commitments for the acquisition of intangible assets.

13 HERITAGE ASSETS

The Municipality has four registered Heritage Assets, however, the principal usage of the assets is that of service delivery and is therefore recognised in Property, Plant and Equipment. The assets are as follows:

Erf 614, Caledon - Utilised as the Town Hall

720 902

728 861

Erven 12 and 14 - Villiersdorp - Utilised as a Restaurant.

290 500

291 850

Bridge at Meul Street, Caledon

14

19

Bridge at Farm 39, Genadendal

163

178

Total carrying value included under Property, Plant and Equipment

1 011 579

1 020 908

There are no heritage assets whose title is restricted.

There are no heritage assets pledged as security for liabilities.

There are no contractual commitments for the acquisition, maintenance or restoration of heritage assets.

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14 CAPITALISED RESTORATION COSTS

Capitalised Restoration Cost - Carrying Value

9 227 092

17 898 198

The movement in capitalised restoration cost is reconciled as follows:

Opening Carrying Value

17 898 198

31 704 406

Cost

32 640 691

35 051 847

Accumulated Depreciation

(14 711 832)

(3 276 851)

Accumulated Impairments

(30 661)

(70 590)

Additions

423

-

Disposals

(169 022)

(2 411 156)

Depreciation

(8 525 107)

(11 434 981)

Reversal of Impairments

22 601

39 929

Closing Carrying Value

9 227 092

17 898 198

Cost

32 472 091

32 640 691

Accumulated Depreciation

(23 236 939)

(14 711 832)

Accumulated Impairments

(8 060)

(30 661)

The Municipality is required by relevant Environmental Legislation to rehabilitate landfill sites at the closure date of each respective site. The "Capitalised Restoration Cost" asset, which is capitalised in line with the requirements of GRAP 17 and iGRAP 2, relates to the initial estimate of costs involved to restore landfill sites under control of the Municipality.

Although this item is accounted for under the Property Plant and Equipment Standard (GRAP 17), the characteristics and nature of this item does not resemble that of normal PPE (such as the tangible nature of assets normally associated with PPE). Based on the aforementioned and in line with the requirements of GRAP 1, Capitalised Restoration Cost is disclosed as a separate item on the face of the Statement of Financial Position.

Refer to note 24 for more detail relating to this asset financed by way of a provision.

15 NON-CURRENT INVESTMENTS

Listed shares

199 843

185 904

Fixed Deposits

11 445 224

10 540 223

Total

11 645 067

10 726 127

Listed shares

Listed shares are held in public companies. No specific maturity dates and interest rates are applicable to these shares.

Listed investments comprise of the following:

Sanlam - Shares Investment

199 843

185 904

Fixed Deposits

Fixed Deposits are investments with a maturity period of more than 12 months and earn interest rates of 10.22% per annum.

Fixed deposits consist out of the following:

Standard Bank - Account number 088907139005 - 5 year investment

11 445 224

10 540 223

The above-mentioned fixed deposit is ring-fenced for the repayment of stock loans as per note 16.

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LONG-TERM LIABILITIES

	2017	2016
Annuity Loans	78 215 444	85 579 170
Finance Lease Liabilities	150 655	273 077
Stock Loans	17 022 971	17 022 971
Sub-Total	95 389 070	102 875 219
Less: Current portion of Long-term Liabilities	8 188 718	7 486 149
Annuity Loans	8 038 062	7 363 727
Finance Lease Liabilities	150 655	122 422
Stock Loans	-	-
Total	87 200 352	95 389 070
Long-term Liabilities were utilised as follow:		
Total Long-term Liabilities taken up	95 389 070	102 875 219
Used to finance Property, Plant and Equipment at cost	(95 389 070)	(102 875 219)
Unspent Borrowings	-	-

Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act.

Annuity Loans

Annuity Loans, disclosed at amortised cost, consist out of the following agreements:

Institution and loan number	Rate	Maturity Date	Carrying Value of Liability	
DBSA BANK - 10 & 20 year (Loan No. 102807/1)	10.74%	30/06/2028	7 264 670	8 033 423
DBSA BANK - 10 & 20 year (Loan No. 103108/1)	11.44%	30/09/2028	8 000 003	8 392 095
ABSA BANK - 11 year (10858/1 (Electricity, Water, Sewer:	11.14%	31/12/2018	307 404	494 389
ABSA BANK - 11 year (10858/2 (Sewerage))	11.14%	31/12/2018	46 997	64 963
DBSA BANK - 20 year (13343(Electricity))	16.50%	31/12/2019	69 836	90 881
DBSA BANK - 20 year (13705/102 (Electricity))	15.75%	30/06/2020	38 728	48 186
DBSA BANK - 20 year (103313.1)	9.85%	31/03/2029	18 019 067	18 781 280
DBSA BANK - 15 year (103313.2)	9.97%	31/03/2024	4 180 400	4 577 788
DBSA BANK - 10 year (103313.3)	10.00%	31/03/2019	303 349	434 279
STANDARD BANK - 7 year (72480009)	11.67%	31/07/2017	100 987	286 434
STANDARD BANK - 10 year (72479981)	11.72%	31/07/2020	1 455 868	1 775 315
DBSA BANK - 20 year (103817/3)	11.06%	31/12/2030	9 782 216	10 086 964
STANDARD BANK- 15 year (272400572)	12.22%	30/06/2026	6 483 900	6 864 239
ABSA BANK - 7 year (406885872)	10.45%	30/06/2018	570 037	1 084 868
ABSA BANK - 15 year (40-7908-8994)	10.79%	27/06/2027	9 662 653	10 181 190
ABSA BANK - 7 year (40-7908-9071)	9.42%	27/06/2019	2 973 877	4 267 682
ABSA BANK - 7 year (8259-8788)	8.25%	27/06/2019	132 568	191 234
ABSA BANK - 7 year (8259-9091)	8.25%	27/06/2019	34 148	49 260
ABSA BANK - 7 year (8259-9741)	8.25%	27/06/2019	210 675	303 907
ABSA BANK - 7 year (387230962)	10.09%	21/06/2021	1 961 176	2 342 250
ABSA BANK - 10 year (387230963)	10.63%	27/06/2024	6 616 885	7 228 543
Total			78 215 444	85 579 170

All annuity loans are unsecured.

Annuity loans are payable as follows:

Payable within one year	16 084 314	16 191 145
Payable within two to five years	50 552 229	55 355 432
Payable after five years	61 582 537	72 865 818
Total amount payable	128 219 080	144 412 395
Less: Outstanding Future Finance Charges	(50 003 636)	(58 833 224)
Present value of annuity loans	78 215 444	85 579 171



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16 LONG-TERM LIABILITIES (CONTINUED)

Finance Lease Liabilities

Finance Lease Liabilities, disclosed at amortised cost, consist out of the following agreements:

Description	Effective Interest rate	Maturity Date	Carrying Value of Liability	
30 Laptops	23%	30/06/2018	150 655	273 077
Total			150 655	273 077

Finance Leases Liabilities are secured by Property, Plant and Equipment - refer to note 11.

Leased assets remain the property of the lessor after maturity and new lease contracts are negotiated to replace lapsed contracts.

Finance Lease Liabilities are payable as follows:

Payable within one year	185 400	185 400
Payable within two to five years	-	185 400
Payable after five years	-	-
Total amount payable	185 400	370 800
Less: Outstanding Future Finance Charges	(34 745)	(97 723)
Present value of finance lease liabilities	150 655	273 077

Stock Loans

Annuity Loans, disclosed at amortised cost, consist out of the following agreements:

Institution and loan number	Rate	Maturity Date	Carrying Value of Liability	
DBSA BANK - 20 year (Loan No. 102275/4&5)	9%	31/03/2027	10 022 971	10 022 971
DBSA BANK - 20 year (Loan No. 101487/1 Electricity)	9%	31/12/2024	6 873 758	6 873 758
DBSA BANK (Loan No. 101487/4 Admin/Corp/Refuse)	10%	31/12/2019	126 242	126 242
Total			17 022 971	17 022 971

The fixed deposit as per note 15 serves as security for the stock loans.

Stock loans are payable as follows:

Payable within one year	1 598 362	1 598 211
Payable within two to five years	8 706 078	7 251 022
Payable after five years	19 829 488	22 882 906
Total amount payable	30 133 929	31 732 140
Less: Outstanding Future Finance Charges	(13 110 958)	(14 709 169)
Present value of annuity loans	17 022 971	17 022 971

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CONSUMER DEPOSITS

Water and Electricity Deposits

4 704 759

4 297 431

The fair value of consumer deposits approximate their carrying value. Interest are not paid on these amounts.

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PAYABLES FROM EXCHANGE TRANSACTIONS

Trade Payables

23 136 281

27 203 006

Retentions

6 584 267

9 866 596

Payments Received in Advance

6 043 439

5 538 204

Unused Pre-paid Electricity

885 688

844 887

Sundry Deposits

1 034 163

1 011 524

Accrued Interest

1 123 205

1 219 375

Land Sales Deposits

301 799

400 869

Total

39 108 842

46 084 461

As previously reported

48 944 769

Correction of error restatement - note 49.4

(2 860 308)

Restated balance

46 084 461

Payables are being recognised net of any discounts received.

The credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

Sundry deposits include hall, builders and housing Deposits.

19

UNSPENT CONDITIONAL GOVERNMENT GRANTS

National Government

1 551 006

728 372

Provincial Government

8 039 328

2 752 753

Other Grant Providers

234 178

1 777 683

Total

9 824 512

5 258 808

Detail reconciliations of all grants received and grant conditions met are included in note 27. Unspent grant balances are recognised to the extent that conditions are not yet met.

No grants were withheld in the current year.

Due to the short term nature of unspent grant balances, the carrying value approximates the fair value of the unspent conditional grants at year-end.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

20

UNSPENT PUBLIC CONTRIBUTIONS

Hogeschool van Arnhem en Nijmegen (HAN)

143 847

199 751

Industrial Development Corporation (IDC)

162 158

162 158

Total

306 005

361 909

Detail reconciliations of all public contributions received are included in note 25. Unspent public contribution balances are recognised to the extent that conditions of the contribution are not yet met.

Due to the short term nature of unspent public contributions, the carrying value approximates the fair value of the unspent public contribution at year-end.

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CURRENT EMPLOYEE BENEFITS

Bonuses	4 030 661	3 659 825
Staff Leave	11 544 398	10 773 371
Performance Bonuses	1 062 639	965 950
Pension	31 333	34 904
Group Insurance	199 843	185 904
Overtime	467 232	366 938
Current portion of Non-Current Employee Benefits - note 23	2 358 409	1 989 234
Post Retirement Medical Benefits	1 340 415	1 288 128
Long Service Awards	1 017 994	701 106
Total	19 694 515	17 976 126

The movement in current employee benefits are reconciled as follows:

Bonuses

Opening Balance	3 659 825	3 373 929
Contribution during the year	8 066 314	8 171 769
Payments made	(7 695 478)	(7 885 873)
Balance at the end of the year	4 030 661	3 659 825

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle.

Staff Leave

Opening Balance	10 773 371	9 411 957
Contribution during the year	2 026 453	2 002 843
Payments made	(1 255 426)	(641 429)
Balance at the end of the year	11 544 398	10 773 371

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave or when employment is terminated.

Performance Bonuses

Opening Balance	965 950	805 607
Contribution during the year	209 354	830 339
Payments made	(112 665)	(669 997)
Balance at the end of the year	1 062 639	965 950

Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the Council. There is no possibility of reimbursement.

Pension

Opening Balance	34 904	34 904
Payments made	(3 571)	-
Balance at the end of the year	31 333	34 904

Pension payments to staff who did not belong to a pension fund in 1994, according to a formula prescribed by a collective agreement. Payment of the amount will occur when respective employees retire. There is no possibility of reimbursement.

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	2017	2016
21 CURRENT EMPLOYEE BENEFITS (CONTINUED)		
<u>Group Insurance</u>		
Opening Balance	185 904	204 593
Fair Value adjustment during the year	13 939	(18 689)
Balance at the end of the year	199 843	185 904
Shares accruing and to be apportioned to staff contributing to the Sanlam Group insurance scheme. The timing of the payment is uncertain. The possibility of reimbursement is being investigated.		
<u>Overtime</u>		
Balance at beginning of year	366 938	227 956
Contribution during the year	467 232	366 938
Payments made	(366 938)	(227 956)
Balance at end of year	467 232	366 938
Overtime for staff worked in current financial year, but paid in next financial year.		
22 PROVISIONS		
Current portion of Rehabilitation Provision	-	25 090 679
The current portion of rehabilitation provision relates to the landfill sites in the municipal area. More detail relating to this provision is included in note 24.		
23 EMPLOYEE BENEFITS		
Post Retirement Medical Benefits	43 058 819	43 501 894
Long Service Awards	6 696 851	6 299 489
Sub-Total	49 755 670	49 801 383
Less: Current portion of Employee Benefits	2 358 409	1 989 234
Post Retirement Medical Benefits	1 340 415	1 288 128
Long Service Awards	1 017 994	701 106
Total	47 397 261	47 812 149
23.1 Post Retirement Medical Benefits		
The movement in Post Retirement Medical Benefits are reconciled as follows:		
Opening Balance	43 501 894	44 482 543
Contribution during the year	6 749 843	6 885 741
Current Service Cost	2 699 758	2 945 989
Interest Cost	4 050 085	3 939 752
Payments made	(1 393 951)	(1 269 172)
Actuarial Loss/(Gain)	(5 798 967)	(6 597 218)
Total balance at year-end	43 058 819	43 501 894
Less: Current portion	(1 340 415)	(1 288 128)
Total	41 718 404	42 213 766
The Post Retirement Medical Benefit Plan is a defined benefit plan, of which the members are made up as follows:		
In-service members	193	176
In-service non-members	427	420
Continuation members	37	36
Total	657	632

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23 EMPLOYEE BENEFITS (CONTINUED)

The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:	In-Service Members R	In-Service non-Members R	Continuation Members R	Total unfunded Liability R
30 June 2017	21 131 224	5 113 005	16 814 590	43 058 819
30 June 2016	19 996 232	5 562 422	17 943 240	43 501 894
30 June 2015	21 438 559	5 273 310	17 770 674	44 482 543
30 June 2014	17 485 290	5 010 454	16 875 163	39 370 907
30 June 2013	12 749 078	3 894 959	15 026 540	31 670 577

The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.

Experience adjustments were calculated as follows:

	Liabilities (Gain) / Loss R	Assets Gain / (Loss) R
30 June 2017	(1 098 000)	-
30 June 2016	(1 351 000)	-
30 June 2015	(68 000)	-
30 June 2014	2 747 000	-
30 June 2013	(384 000)	-

The Municipality contributes to the following medical schemes on a monthly basis:

Bonitas
LA Health
Hosmed
Samwumed
Keyhealth

Key Actuarial Assumptions used are as follows:

i) Interest Rates

Discount rate	9.72%	9.45%
Health Care Cost Inflation Rate	8.00%	8.49%
Net Effective Discount Rate	1.59%	0.88%
Maximum Subsidy Inflation Rate	5.63%	5.99%
Net Discount Rate for Capped Subsidies	3.87%	3.26%

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping"

A discount rate of 9.72% per annum has been used. The corresponding index-linked yield at this term is 2.55%. These rates do not reflect any adjustment for taxation. These rates were deduced from the yield curve obtained from the Bond Exchange of South Africa after the market close on 30 June 2017.

ii) Mortality Rates

The PA 90 ultimate table, rated down by 1 year of age for post retirement, and the SA 85-90 table for in service employees, were used by the actuaries.

iii) Normal Retirement Age

It has been assumed that in-service members will retire at age 60, which then implicitly allows for expected rates of early and ill-health retirement.

iv) Last Valuation

The last valuation was performed on 28 July 2017.

v) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.



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23 EMPLOYEE BENEFITS (CONTINUED)

Sensitivity Analysis - Liability at year-end

Assumption	In-service members (R)	Continuation members (R)	Total liability (R)	% change
Liability	26 244 229	16 814 590	43 058 819	
Health care inflation (+ 1%)	27 794 000	17 477 000	45 271 000	5%
Health care inflation (- 1%)	23 923 000	15 998 000	39 921 000	-7%
Discount rate (+ 1%)	21 964 000	15 436 000	37 400 000	-13%
Discount rate (- 1%)	31 732 000	18 419 000	50 151 000	16%
Post-retirement mortality (- 1 year)	26 877 000	17 381 000	44 258 000	3%
Average retirement age (- 1 year)	28 899 000	16 815 000	45 714 000	6%
Continuation of membership after retirement (- 10%)	20 819 000	16 815 000	37 634 000	-13%

Sensitivity Analysis - Future Service and Interest Cost C806

Assumption	Current Service Cost (R)	Interest Cost (R)	Total Cost (R)	% change
Estimated for 2017/18	2 795 800	4 119 800	6 915 600	
Health care inflation (+ 1%)	2 966 200	4 334 300	7 300 500	6%
Health care inflation (- 1%)	2 526 600	3 815 300	6 341 900	-8%
Discount rate (+ 1%)	2 321 900	3 937 600	6 259 500	-9%
Discount rate (- 1%)	3 408 000	4 313 700	7 721 700	12%
Post-retirement mortality (- 1 year)	2 862 700	4 236 300	7 099 000	3%
Average retirement age (- 1 year)	3 009 200	4 377 700	7 386 900	7%
Continuation of membership after retirement (- 10%)	2 209 700	3 592 700	5 802 400	-16%

23.2 Long Service Awards

The movement in Long Service Awards are reconciled as follows:

Opening Balance	6 299 489	5 600 712
Contribution during the year	1 178 890	1 040 514
Current Service Cost	668 542	604 855
Interest Cost	510 348	435 659
Payments made	(630 337)	(396 730)
Actuarial Loss/(Gain)	(151 191)	54 993
Total balance at year-end	6 696 851	6 299 489
Less: Current portion	(1 017 994)	(701 106)
Total	5 678 857	5 598 383

The Long Service Awards plans are defined benefit plans.

As at year end, the following number of employees were eligible for Long Service Awards

620

596

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23 EMPLOYEE BENEFITS (CONTINUED)

The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:

Unfunded Liability
R

30 June 2017	6 696 851
30 June 2016	6 299 489
30 June 2015	5 600 712
30 June 2014	4 990 435
30 June 2013	4 565 521

The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.

Experience adjustments were calculated as follows:

Liabilities (Gain) / Loss R	Assets Gain / (Loss) R
30 June 2017	218 446
30 June 2016	222 964
30 June 2015	125 780
30 June 2014	(63 677)
30 June 2013	(246 582)

Key Actuarial Assumptions used are as follows:

i) Interest Rates

Discount rate	8.49%	8.57%
General Salary Inflation (long-term)	6.31%	7.22%
Net Effective Discount Rate applied to salary-related Long Service Awards	2.05%	1.26%

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping"

The discount rate of 8.49% per annum has been used. This is derived by using a liability-weighted average of the yields corresponding to the actual term until payment of long service awards, for each employee. The corresponding liability-weighted index-linked yield is 2.54%. These rates do not reflect any adjustment for taxation. These rates were deduced from the yield curve obtained from the Bond Exchange of South Africa after the market close on 30 June 2017.

ii) Last Valuation

The last valuation was performed on 28 July 2017.

iii) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Current Liability (R)	Liability (R)	% Change
General salary inflation (+ 1%)	6 696 851	7 147 000	7%
General salary inflation (- 1%)	6 696 851	6 290 000	-6%
Discount rate (+ 1%)	6 696 851	6 276 000	-6%
Discount rate (- 1%)	6 696 851	7 172 000	7%
Average retirement age (- 2 years)	6 696 851	5 698 000	-15%
Average retirement age (+ 2 years)	6 696 851	7 442 000	11%
Withdrawal rates (- 50%)	6 696 851	8 229 000	23%



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23 EMPLOYEE BENEFITS (CONTINUED)

Sensitivity Analysis on the Current-service and Interest Costs (Next Financial Year)

Assumption	Current Service Cost (R)	Interest Cost (R)	Total(R)	% Change
Estimated for 2017/18	662 500	526 000	1 188 500	
General salary inflation (+ 1%)	720 300	564 200	1 284 500	8%
General salary inflation (- 1%)	611 200	491 500	1 102 700	-7%
Discount rate (+ 1%)	615 300	548 100	1 163 400	-2%
Discount rate (- 1%)	716 500	499 500	1 216 000	2%
Average retirement age (- 2 years)	578 000	446 100	1 024 100	-14%
Average retirement age (+ 2 years)	731 900	589 200	1 321 100	11%
Withdrawal rates (- 50%)	909 000	656 000	1 565 000	32%

23.3 Other Pension Benefits

Defined Benefit Plans

Council contributes to the following defined benefit plans:

LA Retirement Fund (Former Cape Joint Pension Fund)	147 462	167 999
-----------------------------------------------------	---------	---------

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2016 revealed that the fund is in a sound financial position with a funding level of 106.1% (30 June 2015 - 102.4%).

Consolidated Retirement Fund (Former Cape Retirement Fund)	15 364 005	14 219 486
------------------------------------------------------------	------------	------------

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2016 revealed that the fund is in a sound financial position with a funding level of 100.6% (30 June 2015 - 100.4%).

Total	15 511 467	14 387 485
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Both the LA Retirement Fund and Consolidated Retirement Fund are multi-employer plans. Multiple local authorities participate in these multi-employer funds. Multi-employer plans are defined as defined benefit plans. When sufficient information is not available to use defined benefit accounting for a multi-employer plan, an entity will account for the plan as if it were a defined contribution plan.

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the LA Retirement Fund and Consolidated Retirement Fund are Multi-employer funds defined as defined benefit plan, it will be accounted for as defined contribution plan due to sufficient information not being available.

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23 EMPLOYEE BENEFITS (CONTINUED)

Defined Contribution Plans

Council contributes to the following defined contribution plans:

Municipal Councillors Pension Fund	12 068	182 529
SALA Pension Fund	127 802	147 382
SAMWU National Provident Fund	2 086 422	2 093 151
IMATU Provident Fund	41 846	38 795
Total	2 268 138	2 461 857

The retirement benefit funds are subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

24 NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites	63 760 419	34 941 328
------------------------------------------------	-------------------	-------------------

The movement in Rehabilitation Provision - Landfill Sites are reconciled as follows:

Opening Balance	60 032 007	58 944 447
Contribution during the year	3 728 412	1 087 560
Increase/(Decrease) in estimate allocated Capital Restoration Cost Asset	(168 600)	(2 411 156)
Increase/(Decrease) in estimate allocated to Statement of Financial Performance	(5 068)	-
Interest Cost	3 902 080	3 498 716
Expenditure incurred	-	-
Total balance at year-end	63 760 419	60 032 007
Less: Current portion	-	(25 090 679)
Total	63 760 419	34 941 328

In the prior year the Municipality's intention was to start with the rehabilitation process during 2016/17 as Overberg District Municipality's landfill site (Karwyderskraal) would have been used for Caledon's refuse. However, due to a dispute between the Overberg District Municipality and Overstrand Municipality, this process has been delayed. The Municipality is currently still utilising the Caledon landfill site and it is estimated to start with rehabilitation in 2020.

The calculation for the rehabilitation of the landfill site provision was compiled by an independent qualified engineer in order to determine the present value to rehabilitate the landfill sites at the end of its useful life. The total obligation at year-end can be attributed to the following sites:

Location	Site Dimensions	Estimated Decommission Date	Current Cost of Rehabilitation	Current Cost of Rehabilitation
Caledon	58 300m2	2017	26 721 996	25 090 679
Genadendal	15 240m2	2019	8 499 377	7 986 441
Greyton	16 000m2	2019	8 778 206	8 247 622
Riviersonderend	10 720m2	2019	8 253 698	7 897 679
Villiersdorp	21 110m2	2019	11 507 141	10 809 586
Total			63 760 419	60 032 007

A retrospective calculation of time value of money, based on an average weighted investment rate of prime less 4%, was used. This rate used is also within the inflation target range of the South African Reserve Bank of between 3% to 6%.

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	2017	2016
25 RESERVES		
Capital Replacement Reserve	13 385 570	8 599 462
The Capital Replacement Reserve is used to finance future capital expenditure from own funds.		
26 PROPERTY RATES		
Rateable Land and Buildings	87 229 128	77 274 708
Less: Rebates	(1 356 311)	(1 496 317)
Total	85 872 817	75 778 391
As previously reported		76 025 388
Correction of error restate - note 49.2		(246 997)
Restated balance		75 778 391
Property rate levied are based on the following rateable valuations:		
Residential	4 596 825 300	4 394 670 300
Business and Commercial	1 299 724 000	1 312 349 500
Public benefit Organizations	11 572 500	117 347 500
State-owned	383 211 000	360 600 000
Agricultural	7 945 069 750	7 963 608 000
Other	-	237 087 000
Total Valuation	14 236 402 550	14 385 662 300
Rate that is applicable to the valuations above:		
Residential	0.8838 c/R	0.8043 c/R
Commercial	1.9716 c/R	1.7942 c/R
Agricultural	0.2210 c/R	0.2011 c/R
Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2013. Interim valuations are processed on an annual basis to include changes in property values and subdivisions.		
Rates are levied monthly and annually. Monthly rates are payable by the end of the month in which the amount was levied and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.		
Rebates can be defined as any income that the Municipality is entitled by law to levy, but in terms of Council's own policy opted not to collect it.		
The first R 15 000 of the valuation on properties used only for residential purposes are exempted from property rates in terms of the Property Rates Act.		
A further R85 000 on the valuation are exempt from property rates for all those households earning less than R4 801 per month. (This exemption is also applicable to persons older than 60 with earnings between R4 801 and R6 401 per month).		

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27 GOVERNMENT GRANTS AND SUBSIDIES

Unconditional Grants - National Government

69 861 373

63 908 000

Equitable Share

69 861 373

63 908 000

Conditional Grants - National Government

32 828 535

36 686 744

Finance Management Grant (FMG)

1 625 000

1 123 824

Municipal Systems Improvement Grant (MSIG)

-

930 000

Municipal Infrastructure Grant (MIG)

23 654 816

25 621 952

Expanded Public Works Programme (EPWP)

1 048 719

1 148 374

Integrated National Electrification Programme (INEP)

6 500 000

4 752 852

Regional Bulk Infrastructure Grant (RBIG)

-

2 163 743

Municipal Disaster Recovery

-

946 000

Conditional Grants - Provincial Government

28 296 437

59 414 336

Housing

19 234 810

50 822 914

CDW Contribution

122 289

158 252

Thusong Multi Purpose Centre

224 885

286 410

Violence Prevention through Urban Upgrading

-

500 000

Main Roads Subsidy

117 000

82 200

Financial Support Grant

527 000

824 383

Library Subsidy

7 950 452

6 740 176

Municipal Capacity Building Grant

120 000

-

Conditional Grants - Other Grant Providers

1 973 832

326 216

DBSA Local Economic Development

1 543 505

-

SETA

277 562

326 216

SANRAL

152 765

-

Total

132 960 178

160 335 295

Disclosed as:

Government Grants and Subsidies - Operating

94 544 268

126 982 421

Government Grants and Subsidies - Capital

38 415 910

33 352 874

Total

132 960 178

160 335 295

Grants per Vote (MFMA Sec 123 (c)):

Equitable share

69 861 373

63 908 000

Executive and council

122 289

151 767

Budget and treasury office

32 426 816

34 610 883

Corporate services

1 326 281

2 404 590

Community and social services

7 950 452

6 740 176

Housing

19 234 810

50 822 915

Planning and development

1 768 390

786 410

Road transport

269 767

910 554

Total

132 960 178

160 335 295

The movements per grant can be summarised as follows:

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27 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

27.01 Equitable Share

Opening Unspent Balance	-	-
Grants Received	69 861 373	63 908 000
Transferred to Revenue - Operating	(69 861 373)	(63 908 000)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

27.02 Finance Management Grant (FMG)

Opening Unspent Balance	476 176	-
Grants Received	1 148 824	1 600 000
Transferred to Revenue - Operating	(1 625 000)	(1 123 824)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	-	476 176

The Financial Management Grant is a conditional grant to assist municipalities in the implementation of financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The grant also utilised to cover expenditure relating to the Financial Management Internship Programme.

27.03 Municipal Systems Improvement Grant (MSIG)

Opening Unspent Balance	-	-
Grants Received	-	930 000
Transferred to Revenue - Operating	-	(930 000)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	-	-

The MSIG is a conditional grant used to build in-house capacity to perform municipal functions and stabilise institutional and governance systems.

27.04 Municipal Infrastructure Grant (MIG)

Opening Unspent Balance	5 048	-
Grants Received	25 198 952	25 627 000
Transferred to Revenue - Operating	(3 744 817)	(3 804 450)
Transferred to Revenue - Capital	(19 909 999)	(21 817 501)
Other Movements	-	-
Closing Unspent Balance	1 549 184	5 048

The MIG grant is a conditional grant used to upgrade infrastructure in the municipal area with the main focus on previously disadvantaged areas.

27.05 Expanded Public Works Programme (EPWP)

Opening Unspent Balance	-	8 916
Grants Received	1 104 000	1 086 000
Transferred to Revenue - Operating	(1 048 719)	(1 148 374)
Transferred to Revenue - Capital	-	-
Other Movements	(53 458)	53 458
Closing Unspent Balance	1 822	-

The EPWP grant is a conditional grant to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas in compliance with the EPWP guidelines.



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27 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

27.06 Integrated National Electrification Programme (INEP)

Opening Unspent Balance	247 148	-
Grants Received	6 252 852	5 000 000
Transferred to Revenue - Operating	(798 000)	(583 684)
Transferred to Revenue - Capital	(5 702 000)	(4 169 168)
Other Movements	-	-
Closing Unspent Balance	-	247 148

The INEP grant is a conditional grant to provide capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings and the installation of bulk infrastructure.

27.07 Regional Bulk Infrastructure Grant (RBIG)

Opening Unspent Balance	-	-
Grants Received	-	2 163 743
Transferred to Revenue - Operating	-	(265 723)
Transferred to Revenue - Capital	-	(1 898 020)
Other Movements	-	-
Closing Unspent Balance	-	-

The grant is utilised to construct sewerage bulk infrastructure in Grabouw.

27.08 Municipal Disaster Recovery

Opening Unspent Balance	-	946 000
Grants Received	-	-
Transferred to Revenue - Operating	-	(946 000)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	-	-

The grant was utilised to repair municipal property damage caused by nature disasters.

27.09 Housing

Opening Unspent Balance	801 472	7 989 826
Grants Received	24 971 301	43 634 560
Transferred to Revenue - Operating	(7 880 900)	(45 354 731)
Transferred to Revenue - Capital	(11 353 910)	(5 468 184)
Other Movements	-	-
Closing Unspent Balance	6 537 963	801 472

Housing grants was utilised for the development of erven and the erection of top structures.

27.1 CDW Contribution

Opening Unspent Balance	1 245	51 497
Grants received	113 000	108 000
Transferred to Revenue - Operating	(122 289)	(158 252)
Transferred to Revenue - Capital	-	-
Other Movements	8 044	-
Closing Unspent Balance	-	1 245

The CDW Contribution was used to finance the activities of Community Development Workers.

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27 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

27.11 Thusong Multi Purpose Centre

Opening Unspent Balance	25 590	-
Grants received	212 000	312 000
Transferred to Revenue - Operating	(224 885)	(286 410)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	12 705	25 590

The grant is intended to be utilised for the improvement of financial governance.

27.12 Violence Prevention through Urban Upgrading

Opening Unspent Balance	-	-
Grants received	-	500 000
Transferred to Revenue - Operating	-	(500 000)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	-	-

The grant is intended to be utilised for the improvement of financial governance.

27.12 Main Roads Subsidy

Opening Unspent Balance	31 800	-
Grants received	117 000	114 000
Transferred to Revenue - Operating	(117 000)	(82 200)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	31 800	31 800

The subsidy is utilised for the maintenance of the provincial main roads which runs through the town centres.

27.13 Financial Support Grant

Opening Unspent Balance	1 003 860	583 143
Grants received	220 000	1 245 101
Transferred to Revenue - Operating	(527 000)	(824 383)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	696 860	1 003 860

The grant is intended to be utilised for the improvement of financial governance.

27.14 Library Subsidy

Opening Unspent Balance	388 786	589 962
Grants received	7 535 000	6 539 000
Transferred to Revenue - Operating	(7 950 452)	(6 740 176)
Transferred to Revenue - Capital	-	-
Other Movements	26 666	-
Closing Unspent Balance	-	388 786

The subsidy is utilised for the operational costs of libraries which is a provincial function.

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27 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

27.15 Municipal Capacity Building Grant

Opening Unspent Balance	500 000	-
Grants Received	320 000	500 000
Transferred to Revenue - Operating	(120 000)	-
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	700 000	500 000

To develop financial human capacity within municipal areas to enable a sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance.

27.16 Local Government Graduate Internship Allocation

Opening Unspent Balance	-	-
Grants Received	60 000	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	60 000	-

This grant will be utilised for the recruitment of interns.

27.16 DBSA Local Economic Development

Opening Unspent Balance	1 777 683	327 683
Grants Received	-	1 450 000
Transferred to Revenue - Operating	(93 505)	-
Transferred to Revenue - Capital	(1 450 000)	-
Other Movements	-	-
Closing Unspent Balance	234 178	1 777 683

This grant is utilised for the replacement of bulk sewerage line between Caledon and Myddleton.

27.17 SETA

Opening Unspent Balance	-	-
Grants Received	277 562	326 216
Transferred to Revenue - Operating	(277 562)	(326 216)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	-	-

This grant is for the training and development of municipal officials.

27.18 SANRAL

Opening Unspent Balance	-	-
Grants Received	-	-
Transferred to Revenue - Operating	(152 765)	-
Transferred to Revenue - Capital	-	-
Other Movements	152 765	-
Closing Unspent Balance	-	-

This grant will be utilised for the construction of a taxi rank / bus stop in Grabouw.

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	2017	2016
27 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)		
27.19 Total Grants		
Opening Unspent Balance	5 258 809	10 497 027
Grants Received	137 391 864	155 043 619
Transferred to Revenue - Operating	(94 544 268)	(126 982 421)
Transferred to Revenue - Capital	(38 415 910)	(33 352 874)
Other Movements	134 017	53 458
Closing Unspent Balance	<u>9 824 512</u>	<u>5 258 809</u>
28 PUBLIC CONTRIBUTIONS AND DONATIONS		
Hogeschool van Arnhem en Nijmegen (HAN)	947 003	1 013 805
Industrial Development Corporation (IDC)	-	50 350
Total	<u>947 003</u>	<u>1 064 155</u>
The movements per grant can be summarised as follows:		
28.01 Hogeschool van Arnhem en Nijmegen (HAN)		
Opening Unspent Balance	199 751	631 360
Grants Received	891 099	582 196
Transferred to Revenue - Operating	(947 003)	(1 013 805)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	<u>143 847</u>	<u>199 751</u>
The grant gives students from abroad the opportunity to engage with community in upliftment of previously disadvantaged communities projects.		
28.02 Industrial Development Corporation (IDC)		
Opening Unspent Balance	162 158	212 508
Grants Received	-	-
Transferred to Revenue - Operating	-	(50 350)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	<u>162 158</u>	<u>162 158</u>
The grant is for the promotion of local economic development and tourism.		
28.03 Total Public Contributions and donations		
Opening Unspent Balance	361 909	843 868
Grants Received	891 099	582 196
Transferred to Revenue - Operating	(947 003)	(1 064 155)
Transferred to Revenue - Capital	-	-
Other Movements	-	-
Closing Unspent Balance	<u>306 005</u>	<u>361 909</u>
29 FINES		
Traffic Fines	30 584 199	30 941 250
Library Fines	36 736	41 826
Total	<u>30 620 935</u>	<u>30 983 076</u>
In terms of the requirements of GRAP 23 and IGRAP 1, all traffic fines issued during the year are recognised as revenue.		

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30 ACTUARIAL GAINS		
Post Retirement Medical Benefits	5 798 967	6 597 218
Long Service Awards	151 191	-
Total	5 950 158	6 597 218
31 REVERSAL OF IMPAIRMENTS		
Capitalised Restoration Costs	22 601	39 929
The impairment was caused by the change in the discount rate which is linked to the prime rate.		
32 CONTRIBUTED ASSETS		
Property, Plant and Equipment	147 049	-
Contributed Assets were donations received by the Municipality.		
33 SERVICE CHARGES		
Electricity	82 546 091	75 892 827
Water	62 179 026	51 763 217
Refuse Removal	34 473 884	31 197 351
Sewerage and Sanitation	31 702 963	30 298 573
Other Service Charges	1 120 301	2 539 703
Total Revenue	212 022 265	191 691 671
Less: Rebates	(18 095 936)	(15 350 019)
Electricity	(2 448 527)	(2 284 816)
Water	(2 604 137)	(1 769 396)
Refuse Removal	(6 947 368)	(5 975 317)
Sewerage and Sanitation	(6 095 904)	(5 320 490)
Total	193 926 329	176 341 652
As previously reported		176 654 483
Correction of error restatement - 49.1		(312 831)
Restated balance		176 341 652
Rebates can be defined as any income that the Municipality is entitled to levy, but in terms of Council's own policy opted not to collect it.		
34 RENTAL OF FACILITIES AND EQUIPMENT		
Buildings and Commonage	1 413 713	1 287 550
Other Rentals	244 255	263 447
Total	1 657 968	1 550 997
35 LICENCES AND PERMITS		
Drivers Licences	1 111 503	1 099 354
Duplicate Registration Certificates	108 643	102 531
Learner Licences	170 505	344 374
Professional Drivers Permits	153 760	150 400
Roadworthy Certificates	364 800	467 204
Temporary and special permits	126 299	110 335
Total	2 035 510	2 274 198



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	2017	2016
36 OTHER INCOME		
Building Plan Fees	1 755 220	1 570 371
Cemetery	589 655	519 566
Recoveries	229 432	379 787
Sundry Income	2 270 920	1 383 303
Valuation Certificates	247 818	276 412
Vehicle Registration	796 326	778 566
Total	5 889 371	4 908 005
37 EMPLOYEE RELATED COSTS		
Basic Salaries and Wages	103 637 045	96 796 426
Pension and UIF Contributions	18 494 345	16 978 009
Medical Aid Contributions	5 274 151	4 699 186
Overtime	5 505 175	4 493 668
Motor Vehicle Allowance	7 210 024	6 040 883
Housing Allowances	1 474 300	1 533 900
Other benefits and allowances	6 159 295	5 120 271
Other Allowance	1 411 831	1 352 934
Group Life Insurance	1 648 433	1 533 841
Standby Allowance	3 099 031	2 233 496
Contributions to Employee Benefits	13 650 573	13 725 456
Bonuses	8 259 391	8 171 769
Staff Leave	2 022 882	2 002 843
Long Service Awards	668 542	604 855
Post Retirement Medical Benefits	2 699 758	2 945 989
Workmen's Compensation	932 428	895 561
Total	162 337 336	150 283 360
As previously reported		154 658 771
Reclassification - note 50.1		(4 375 411)
Restated balance		150 283 360
Remuneration of Management Personnel		
Municipal Manager is appointed on a 7-year contract and the Director Technical Services on a 5 year contract. All other Directors are appointed on 10-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract period. Acting allowances are immaterial. The Municipal Manager's post has been vacant since November 2016.		
Municipal Manager - HSD Wallace (contract expired October 2016)		
Annual Remuneration	441 717	1 338 222
Travelling Allowance	31 410	125 641
Contributions to UIF, Medical and Pension Funds	10 256	100 352
Performance Bonus	-	168 909
Total	483 383	1 733 124
Director: Corporate Services - J Isaacs (contract expired June 2017)		
Annual Remuneration	1 403 015	1 167 374
Travelling Allowance	25 000	120 000
Contributions to UIF, Medical and Pension Funds	12 738	52 819
Performance Bonus	-	132 347
Total	1 440 753	1 472 540



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37 EMPLOYEE RELATED COSTS (CONTINUED)		
Director: Development Services - MH Gxoyiya (contract expired January 2017)		
Annual Remuneration	1 013 890	955 880
Travelling Allowance	50 000	120 001
Contributions to UIF, Medical and Pension Funds	13 220	252 632
Performance Bonus	-	-
Total	1 077 110	1 328 512
Director: Financial Services - D Louw		
Annual Remuneration	1 206 377	866 203
Travelling Allowance	108 000	108 000
Contributions to UIF, Medical and Pension Funds	27 534	222 636
Performance Bonus	-	118 672
Total	1 341 911	1 315 510
Director: Operational Services - J Barnard		
Annual Remuneration	1 175 410	874 065
Travelling Allowance	62 428	62 428
Contributions to UIF, Medical and Pension Funds	27 286	260 840
Performance Bonus	-	129 754
Total	1 265 124	1 327 088
Director: Technical Services - CW van Heerden (contract expired November 2016)		
Annual Remuneration	697 848	1 167 374
Travelling Allowance	42 000	120 000
Contributions to UIF, Medical and Pension Funds	14 685	52 819
Performance Bonus	-	132 347
Total	754 533	1 472 540
38 REMUNERATION OF COUNCILLORS		
Executive Mayor	802 606	801 784
Deputy Executive Mayor	587 558	645 557
Speaker	652 133	582 768
Mayoral Committee Members	2 986 756	2 427 498
Councillors	4 957 639	4 481 765
Total	9 986 691	8 939 371
In-kind Benefits		
The Executive Mayor, Deputy Executive Mayor, Speaker and four Mayoral Committee members serve in a full-time capacity. They are provided with secretarial support and an office each at the cost of the Council.		
Councillors may utilize municipal transportation when engaged in official duties		
39 DEBT IMPAIRMENT		
Receivables from Exchange Transactions	29 324 394	24 221 916
Receivables from Non-Exchange Transactions	32 463 771	26 053 863
Total Debt Impairment	61 788 165	50 275 779
Movement in VAT included in debt impairment	(1 488 132)	(1 464 921)
Total	60 300 033	48 810 858



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40 DEPRECIATION AND AMORTISATION		
Property, Plant and Equipment	14 286 654	13 117 487
Capitalised restoration costs	8 525 107	11 434 981
Investment Property	61 073	61 219
Intangible Assets	224 373	81 597
Total	23 097 206	24 695 285
As previously reported		24 598 403
Correction of error restatement - note 49.3		96 882
Restated balance		24 695 285
41 REPAIRS AND MAINTENANCE		
Property, Plant and Equipment	27 200 368	23 545 030
Land and Buildings	6 995 450	4 915 134
Infrastructure	10 956 168	10 984 842
Community Assets	912 555	1 050 445
Other Assets	8 336 195	6 594 609
Investment Property	169 676	291 970
Total	27 370 044	23 837 000
42 ACTUARIAL LOSSES		
Post Retirement Medical Benefits	-	-
Long Service Awards	-	54 993
Total	-	54 993
43 FINANCE CHARGES		
Cash	10 335 889	11 206 417
Long-term Liabilities	10 335 889	11 206 417
Non-cash	8 462 513	7 874 127
Post Retirement Medical Benefits	4 050 085	3 939 752
Long Service Awards	510 348	435 659
Rehabilitation of Landfill Sites	3 902 080	3 498 716
Total	18 798 402	19 080 544
As previously reported		14 705 133
Reclassification - note 50.1		4 375 411
Restated balance		19 080 544
44 BULK PURCHASES		
Electricity	54 773 794	51 493 653
Water	12 351 866	10 611 605
Total	67 125 660	62 105 258
Bulk Purchases are the cost of commodities not generated by the Municipality, which the Municipality distributes in the municipal area for re-sale to consumers. Electricity is purchased from Eskom and water is purchased from a variety of suppliers including DWA, Overberg Water and a number of private suppliers.		

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45 CONTRACTED SERVICES		
Caledon Solid Waste Site	1 525 617	1 811 916
Computer Services and Licences	3 184 773	3 204 280
Dumping fees (Karwyderskraal)	1 050 748	1 241 069
Valuation Services	505 695	318 452
Copier Costs	330 699	379 452
Other Contracted Services	14 485 103	13 986 187
Total	21 082 635	20 941 356
Other Contracted Services consist out of a variety of services, including but not limited to the following:		
<ul style="list-style-type: none"> - Cash in transit services - Printing, sorting and mailing of municipal accounts - Debt collection system support services - Prepaid electricity vendors - Traffic fines operators 		
46 TRANSFERS AND GRANTS		
Indigent Subsidies - Electricity	2 285 090	1 213 827
Total	2 285 090	1 213 827
47 OTHER EXPENDITURE		
Audit Fees	2 943 143	2 722 628
Bank Charges	414 909	311 854
Clean and Green Project	411 467	321 863
Computer charges	116 308	92 662
Fuel Cost	4 657 928	4 189 089
Insurance	884 894	964 645
Legal advice	942 940	355 706
Material and protective clothing	1 761 648	2 061 361
Membership fees	1 675 331	1 535 043
Operating Grant expenditure (Housing Top Structures)	7 880 900	44 106 391
Postage	150 076	202 532
Printing and stationery	1 021 746	820 685
Electricity - Escom	7 518 122	6 940 399
Refuse bags	559 299	619 038
Sporting programs	-	95 879
Skills development levy	1 330 509	1 246 472
Telephone	670 168	705 958
Training	1 204 256	637 979
Travel and subsistence	788 937	821 908
Ward Committee	354 403	164 056
Water Purification	1 427 724	1 386 558
Other	3 626 044	3 409 944
Total	40 340 752	73 712 650

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48 GAIN/(LOSS) ON DISPOSAL OF NON-MONETARY ASSETS

Proceeds	1 908 478	-
Less: Carrying value of Investment Property disposed	(685 901)	(20 653)
Less: Carrying value of Property, Plant and Equipment disposed	(925 793)	(5 767 922)
Less: Carrying value of Intangible Assets disposed	-	(9 222)
Total	296 785	(5 797 797)

49 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR

49.1 Receivables from Exchange Transactions

Receivables from Exchange Transactions contained the following errors:

- An Allowance for Debt Impairment amounting to R1 107 026 was incorrectly allocated to Receivables from Exchange Transactions, rather than Receivables from Non-Exchange Transactions.
- Incorrect levies for water (R312 831), sanitation (R1 073 752) and interest earned (R250 259) pertaining to the prior year was corrected in the current year.

The net effect of the above-mentioned errors were as follow:

- Receivables from Exchange Transactions - note 3	Overstated	(723 938)
- Taxes - note 6	Understated	194 122
- Receivables from Non-Exchange Transactions - note 4	Overstated	(1 107 026)
- Service Charges - note 33	Overstated	(312 831)
- Accumulated Surplus - note 49.5	Overstated	(1 073 753)
- Interest Earned - outstanding debtors - note 49.6	Overstated	(250 259)

49.2 Receivables from Non-Exchange Transactions

Receivables from non-exchange transactions contained the following errors:

- Incorrect rates levied for 2015/16 was corrected in the current year.

The net effect of the above-mentioned errors were as follow:

- Receivables from Non-Exchange Transactions - note 4	Overstated	(246 997)
- Property Rates - note 26	Overstated	(246 997)

49.3 Property, Plant and Equipment

Property, Plant and Equipment contained the following errors:

- Other Assets (movable assets) previously not included in the asset register were identified during the current years asset verification.

The net effect of the above-mentioned errors were as follow:

- Property, Plant and Equipment - note 11	Understated	481 333
- Depreciation and Amortisation - note 40	Understated	96 882
- Accumulated Surplus - note 49.5	Understated	578 215



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49 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR (CONTINUED)

49.4 Payables from exchange transactions

The Auditor General raised concerns with regards to retentions amount in the 2015/16 audit. The retention register was inspected and it was noted that invalid retentions were still on the said register. The majority of the retentions related to Housing and Proclaimed roads projects.

The net effect of the above-mentioned errors were as follow:

- Property, Plant and Equipment - note 11	Overstated	(556 445)
- Payables from exchange transactions - note 18	Overstated	(2 860 308)
- Accumulated Surplus - note 49.5	Understated	2 303 863

49.5 Accumulated Surplus

Receivables from Exchange Transactions - note 49.1	(1 073 753)
Property, Plant and Equipment - note 49.3	578 215
Payables from exchange transactions - note 49.4	2 303 863
Total	<u>1 808 325</u>

49.6 Statement of Financial Performance

Interest Earned - outstanding debtors	7 721 117
As previously reported	7 971 376
Receivables from Exchange Transactions - note 49.1	(250 259)

49.7 Disclosure - Statutory Receivables

In the prior year Statutory Receivables was incorrectly disclosed due to the amount of Taxes being incorrect.

Statutory Receivables	Overstated	(1 446 374)
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50 PRIOR PERIOD ADJUSTMENTS - RECLASSIFICATIONS

50.1 Reclassification of Finance Charges

The following items were reclassified in order to be aligned to the nature of the expenditure item.

Item	Previous Classification	Revised Classification	Amount
Interest on Employee Benefits	Employee Related Costs	Finance Charges	4 375 411

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NET CASH FROM OPERATING ACTIVITIES

	2017	2016
Net Surplus for the year	49 291 791	44 376 533
Adjusted for:		
Non-cash revenue included in Net Surplus	(6 123 854)	(6 682 962)
Actuarial Gains	(5 950 158)	(6 597 218)
Reversal of Impairments	(22 601)	(39 929)
Contributed Assets	(147 049)	-
Rental of Facilities and Equipment - decrease in operating lease asset	1 022	(45 815)
Change in Provisions for Restoration of Landfill Site	(5 068)	-
Non-cash expenditure included in Net Surplus	105 714 560	102 137 105
Employee Related Costs - Contributions towards	14 151 592	14 904 045
Post Retirement Medical Benefits	2 699 758	2 945 989
Long Service Awards	668 542	604 855
Bonuses	8 066 314	8 171 769
Staff Leave	2 026 453	2 002 843
Performance Bonuses	209 354	830 339
Group Insurance	13 939	(18 689)
Overtime	467 232	366 938
Debt Impairment	60 300 033	48 810 858
Depreciation and Amortisation	23 097 206	24 695 285
Actuarial Losses	-	54 993
Finance Charges	8 462 513	7 874 127
Post Retirement Medical Benefits	4 050 085	3 939 752
Long Service Awards	510 348	435 659
Provision for Rehabilitation of Landfill-sites	3 902 080	3 498 716
Gain on disposal of Non-Monetary Assets	(296 785)	5 797 797
Cash expenditure not included in Net Surplus	(11 458 366)	(11 091 157)
Post Retirement Medical Benefits	(1 393 951)	(1 269 172)
Long Service Awards	(630 337)	(396 730)
Bonuses	(7 695 478)	(7 885 873)
Staff Leave	(1 255 426)	(641 429)
Performance Bonuses	(112 665)	(669 997)
Pension	(3 571)	-
Overtime	(366 938)	(227 956)
Operating Surplus before changes in working capital	137 424 131	128 739 518
Movement in working capital	(60 443 438)	(67 920 553)
Long-term Receivables	(417 618)	(218 615)
Receivables from Exchange Transactions	(32 835 767)	(26 276 368)
Receivables from Non-Exchange Transactions	(26 896 168)	(33 711 027)
Unpaid Conditional Government Grants	(134 017)	(53 458)
Taxes	1 629 566	(781 804)
Inventory	676 386	(891 353)
Payables from exchange transactions	(6 975 619)	(267 749)
Unspent Conditional Government Grants	4 565 704	(5 238 219)
Unspent Public Contributions	(55 904)	(481 959)
Cash Flow from Operating Activities	76 980 693	60 818 965

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52 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise out of the following:

Primary Bank Account	26 279 841	5 901 496
Call and Notice Deposits	38 033 259	50 530 424
Cash Floats	10 350	10 550
Total	64 323 450	56 442 470

Refer to note 2 for more details relating to cash and cash equivalents.

53 BUDGET COMPARISONS

53.1 Comparable Basis

Differences were identified between the disclosure requirements in terms of GRAP and the reporting requirements in terms of National Treasury budget formats. The following items are affected by these classification differences:

Statement of Financial Position

Consumer Debtors consist out of both Receivables from Exchange Transactions as well as the Rates Receivable.

Other Receivables incorporate all other current receivable balances not specifically provided for in the National Treasury formats.

Trade and Other Payables incorporates Payable from exchange transactions, Unspent grants, Unspent public contributions, Taxes and Operating lease liabilities.

Employee Benefits and Provisions (Current and Non-Current) are included under the provisions line item in the budget statements.

Statement of Financial Performance

The statement of financial performance is comparable on a line by line basis except for the following items:

The budget statements does not provide for all the different revenue classifications per statement of financial performance. For this reason, all line items not specifically catered for is incorporated under the line item Other Revenue in the budget statement.

Depreciation and Amortisation and Impairments are aggregated on the budget statements while it is shown separately on the Statement of Financial Performance

The budget statements does not provide for all the different expenditure classifications per statement of financial performance. For this reason, all line items not specifically catered for is incorporated under the line item Other Expenditure in the budget statement.

Finance charges pertaining to employee related costs was budget as part of Employee Related Costs, but for GRAP purposes has been disclosed as Finance Charges. For budget comparison purposes, the actual finance charges shall be included as part of Employee Related Costs.

Cash Flow Statement

The Cash Flow Statement is presented on a comparable basis.

53.2 Statement of Financial Position

Adjustments to Original Budget

Adjustments to the original budget was mainly to align the amounts with the audit outcomes of 2015/16 and to accommodate any changes to revenue, operating and capital expenditure for the 2016/17 financial year.

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53 BUDGET COMPARISONS (CONTINUED)

Actual Amounts vs Final Budget

Cash was more than budget due to more collections from consumer than budgeted.

Other non-current assets were less than budget due to depreciation pertaining to Capital Restoration Costs not taken into account in the budget.

Payables was less than budget due to not all Housing grant allocations received.

Provisions and Employee Benefits were less than budget due to the short-term portion of provision for landfill sites allocated to non-current.

Borrowings were less than budget due to cash suppluses utilised for capital expenditure rather than taking up borrowings.

53.3 Statement of Financial Performance

Adjustments to Original Budget

Fines were decreased in due to new service provider appointed.

Transfers Recognised - Operational was decreased due to roll-overs grants not approved and not all grant allocations (Housing) received during the current year.

Other Expenditure was decreased due to roll-overs grants not approved and not all grant allocations (Housing) received during the current year.

Actual Amounts vs Final Budget

Fines were more than budget due to a better performance from service provider than anticipated.

Transfers Recognised - Operational was less than budget as not and not all Housing grant allocations were received during the current year.

Other Revenue was more than budget due to actuarial gains which were not budgeted for.

Debt Impairment was more than budget due to additional fines issued which was not included in the budget.

Other Expenditure was less than budget due to Housing Grant allocations not received.

53.4 Cash Flow Statement

Adjustments to Original Budget

Adjustments to the original budget was mainly to align the amounts with the audit outcomes of 2015/16 and to accommodate any changes to revenue, operating and capital expenditure for the 2016/17 financial year.

Actual Amounts vs Final Budget

Property rates, penalties & collection charges were more than budget due to better collections than anticipated.

Other Revenue was more than budget due to insurance claims received.

Government Grants were less than budget due to Housing grant allocation not received.

Suppliers and employees were less than budget due to Housing grant allocation note received.

Capital Assets were less than budget as not all capital projects implemented.

No loans were taken up during the current year as capital projects was financed from surplus cash.

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54 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

54.1 Unauthorised Expenditure

Unauthorised expenditure can be reconciled as follow:

Opening balance	-	21 904 021
Unauthorised expenditure current year - operating	-	-
Unauthorised expenditure current year - capital	-	-
Approved by Council	-	(21 904 021)
Unauthorised expenditure awaiting further action	-	-

Unauthorised expenditure only relates to expenditure in excess of approved budget votes. No disciplinary steps or criminal proceedings were instituted as a result of unauthorised expenditure incurred. Refer below for votes of which the expenditure was in excess of the approved budget:

	2017 (Actual) R	2017 (Final Budget) R	2017 (Unauthorised) R	2016 (Unauthorised) R
Unauthorised expenditure - Operating				
Executive and council	29 787 539	31 009 645	-	-
Budget and treasury office	39 959 179	40 011 593	-	-
Corporate services	54 282 842	56 440 827	-	-
Community and social services	7 732 366	8 543 776	-	-
Sport and recreation	7 821 783	8 252 338	-	-
Public safety	47 866 614	48 248 317	-	-
Housing	12 781 486	35 862 121	-	-
Health	-	-	-	-
Planning and development	10 025 040	11 037 464	-	-
Road transport	30 352 888	31 073 016	-	-
Environmental protection	135	229	-	-
Electricity	69 078 604	70 004 315	-	-
Water	47 713 750	49 741 630	-	-
Waste water management	31 127 083	31 212 045	-	-
Waste management	44 194 512	47 359 772	-	-
Total	432 723 821	468 797 088	-	-
Unauthorised expenditure - Capital				
Executive and council	1 524 389	2 137 346	-	-
Budget and treasury office	9 205	40 297	-	-
Corporate services	2 262 170	3 589 417	-	-
Community and social services	665 397	1 355 370	-	-
Sport and recreation	1 345 804	1 551 795	-	-
Public safety	75 158	87 154	-	-
Housing	11 394 579	11 688 472	-	-
Health	-	-	-	-
Planning and development	-	-	-	-
Road transport	695 642	5 174 484	-	-
Environmental protection	-	-	-	-
Electricity	11 519 997	11 957 406	-	-
Water	9 382 405	11 959 181	-	-
Waste water management	21 236 247	23 719 270	-	-
Waste management	2 899 439	3 385 970	-	-
Total	63 010 433	76 646 162	-	-

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54 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

54.2 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure can be reconciled as follow:

Opening balance	69 270	69 270
Fruitless and wasteful expenditure incurred	8 064	-
Approved by Council	(8 064)	-
Fruitless and wasteful expenditure awaiting further action	69 270	69 270

Details of fruitless and wasteful expenditure incurred

(a) 2012/2013 Incorrect calculation of leave payout	69 270	69 270
(b) A objector was wrongly informed of his right of appeal, and legal costs were incurred	8 064	-
Total	77 334	69 270

No disciplinary steps or criminal proceedings were instituted as a result of fruitless and wasteful expenditure incurred.

54.3 Irregular Expenditure

Irregular expenditure can be reconciled as follow:

Opening balance	-	-
Irregular expenditure incurred - current year	26 600	654 430
Irregular expenditure incurred - prior year	47 810	2 260 157
Approved by Council	(74 410)	(2 914 587)
Irregular expenditure awaiting further action	-	-

Details of irregular expenditure incurred

(a) Housing Contracts not finish within contract dates - 2013/2014 and prior years - R22 459 741. SCM Policy inconsistent with Regulations for procurement of accommodation, legal services, medical services and newspaper advertisements.	-	1 337 696
(b) Housing Contracts not finish within contract dates - 2014/2015 - R20 524 106 & SCM Policy inconsistent with Regulations for procurement of accommodation, legal services, medical services and newspaper advertisement.	-	922 461
(c) SCM Policy inconsistent with Regulations for procurement of accommodation, legal services, medical services and newspaper advertisements for 2015/2016 financial year.	-	654 430
(c) During the period from 19 October 2015 to 07 October 2016 an total amount of R74 410 was paid to a supplier, while he was in the service of the state, of which R 47 810 was in the 2015/2016 financial year and R 26 600 in the 2016/2017 financial year.	74 410	-
Total	74 410	2 914 587

No disciplinary steps or criminal proceedings were instituted as a result of irregular expenditure incurred.

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55 MATERIAL LOSSES

55.1 Water distribution losses

Kilo litres disinfected/purified/purchased	5 404 965	5 204 888
Kilo litres sold and free basic services	4 306 382	3 898 109
Kilo litres lost during distribution	1 098 583	1 306 779
Percentage lost during distribution	20.33%	25.11%

Normal pipe bursts and field leakages are responsible for water losses.

55.2 Electricity distribution losses

Units purchased (Kwh)	60 735 731	60 626 680
Units sold, free basic services and standard friction losses	57 576 698	57 630 236
Units lost during distribution (Kwh)	3 159 033	2 996 444
Percentage lost during distribution	5.20%	4.94%

56 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

56.1 SALGA Contributions [MFMA 125 (1)(b)]

Opening balance	-	-
Expenditure incurred	1 617 708	1 491 774
Payments	(1 617 708)	(1 491 774)
Payments in advance	-	-

56.2 Audit Fees [MFMA 125 (1)(c)]

Opening balance	-	-
Expenditure incurred	3 355 183	2 635 176
External Audit - Auditor-General	3 355 183	2 635 176
Payments	(3 355 183)	(2 635 176)
Outstanding Balance	-	-

56.3 VAT [MFMA 125 (1)(c)]

Opening balance	1 361 568	705 508
Net amount claimed/(declared) during the year	(2 475 390)	(1 173 703)
Net amount received during the year	276 249	1 829 762
Outstanding Balance Receivable/(Payable)	(837 573)	1 361 568

VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors. All VAT returns have been submitted by the due date throughout the year.

56.4 PAYE, SDL and UIF [MFMA 125 (1)(c)]

Opening balance	-	-
Payroll deductions and Council Contributions during the year	22 599 299	20 681 746
Payments	(22 599 299)	(20 681 746)
Outstanding Balance	-	-



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56 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

56.5 Pension and Medical Aid Contributions [MFMA 125 (1)(c)]

Opening balance	-	-
Payroll deductions and Council Contributions during the year	38 207 988	35 215 000
Payments made to pension and medical fund	(38 207 988)	(35 215 000)
Outstanding Balance	-	-

56.6 Councillors Arrear Accounts [MFMA 124 (1)(b)]

No Councillors had arrear accounts outstanding for more than 90 days during the year.

56.7 Deviations from Supply Chain Management Regulations

Deviations from Supply Chain Management Regulations were identified on the following categories:

Section 36(1)(a)(i) - Emergencies	927 115	3 274 366
Section 36(1)(a)(ii) - Single provider	4 488 219	5 286 754
Section 36(1)(a)(iii) - Specialised services	-	-
Section 36(1)(a)(iv) - Acquisition of animals for zoo's	-	-
Section 36(1)(a)(v) - Impractical so follow official procurement process	28 760 380	19 913 433
Total	34 175 714	28 474 552

Deviations from Supply Chain Management Regulations can be allocated as follow:

MM Office	203 618	198 030
Corporate Services	4 041 380	3 076 918
Development Services	434 807	7 151 134
Financial Services	7 200 015	3 493 723
Technical Services	11 540 626	5 462 086
Operations	10 755 267	9 092 660
Total	34 175 714	28 474 552

Deviations from Supply Chain Management Regulations were identified on the quotation/tender categories:

Less than R30 000	6 199 986	5 459 529
Between R30 001 and R200 000	9 062 876	7 629 416
Between R200 001 and R2 000 000	13 061 226	7 247 920
More than R2 000 001	5 851 625	8 137 687
Total	34 175 714	28 474 552

All the deviations were ratified by the Municipal Manager and reported to Council. The major deviations approved are as follows:

The appointment of a Housing Implementing Agent	8 404 877	5 548 495
Purchasing of W15mm WDM Water Meters	4 089 318	3 067 740
Design and build a new 2ml prefabricated steel Reservoir at Riviersonderend	1 700 176	1 373 600

57 CAPITAL COMMITMENTS

Approved and contracted for

Infrastructure	25 001 513	16 315 589
	25 001 513	16 315 589

This expenditure will be financed from:

External Loans	5 976 684	3 915 436
Government Grants	15 185 684	8 907 382
Own Resources	3 839 145	3 492 771
Total	25 001 513	16 315 589

Capital Commitments are disclosed exclusive of Value Added Tax (VAT).



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58 FINANCIAL RISK MANAGEMENT

The Municipality is potentially exposed to the following risks:

58.1 Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The following financial assets are exposed to credit risk:

Cash and Cash Equivalents	64 323 450	56 442 470
Receivables from exchange transactions	22 168 670	18 237 687
Long-term Receivables	5 832 963	5 067 359
Non-current Investments	11 645 067	10 726 127
Total	103 970 150	90 473 643

Cash and Cash Equivalents

Deposits of the Municipality is only held at reputable banks that are listed on the JSE. The credit quality is regularly monitored through required SENS releases by the various banks. The risk pertaining to these deposits are considered to be very low.

There are no restrictions on the cash deposits held and no cash were pledged as security. No collateral is held for any cash and cash equivalents.

Receivables from Exchange Transactions

Receivables comprise of a large number of users, dispersed across different sectors and geographical areas. On-going credit evaluations are performed on the financial condition of these receivables. Credit risk pertaining to receivables are considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Receivables are disclosed after taking into account the provision for impairment raised against each class of receivable.

Receivables are payable within 30 days. All receivables outstanding for more than 30 days are considered to be passed due.

Refer to note 3 for more information regarding the provision for impairment raised against each service type as well as receivables considered to be passed due.

Also refer to note 3 for more information regarding balances renegotiated beyond the original 30 days payment period initially granted.

No receivables were pledged as security for liabilities and no collateral is held from any consumers (other than consumer deposits).

The following service receivables are past due, but not impaired:

Electricity	176 710	748 435
Water	1 737 052	2 837 657
Refuse	985 350	1 636 523
Sewerage	777 318	1 413 603
Other	118 087	330 310
Total	3 794 516	6 966 528



THE WATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

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58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.2 Currency risk (Market Risk)

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The financial instruments of the Municipality is not directly exposed to any currency risk.

58.3 Interest rate risk (Market Risk)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following balances are exposed to interest rate fluctuations:

Cash and Cash Equivalents (excluding cash on hand)	64 313 100	56 431 920
Long-term Liabilities (including current portion)	-	-
Net balance exposed	64 313 100	56 431 920

Potential effect of changes in interest rates on surplus and deficit for the year:

1% (2016 - 1%) increase in interest rates	643 131	564 319
0% (2016 - 0%) decrease in interest rates	-	-

South Africa is currently in an upward interest rate cycle and management does not foresee a decrease in the next 12 months.

58.4 Liquidity risk

Liquidity risk is the risk encountered by the Municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is mitigated by approving cash funded budgets at all times to ensure commitments can be settled once due over the long term. The Municipality also monitors its cash balances on a daily basis to ensure cash resources are available to settle short term obligations.

The following balances are exposed to liquidity risk:

	Within 1 Year	Between 2 to 5 years	After 5 years	Total
30 JUNE 2017				
Annuity Loans	16 084 314	50 552 229	61 582 537	128 219 080
Finance Lease Liabilities	185 400	-	-	185 400
Stock Loans	1 598 362	8 706 078	19 829 488	30 133 929
Payables from exchange transactions	31 877 916	-	-	31 877 916
Total	49 745 992	59 258 307	81 412 025	190 416 325
30 JUNE 2016				
Annuity Loans	16 191 145	55 355 432	72 865 818	144 412 395
Finance Lease Liabilities	185 400	185 400	-	370 800
Stock Loans	1 598 211	7 251 022	22 882 906	31 732 140
Payables from exchange transactions	39 300 501	-	-	39 300 501
Total	57 275 257	62 791 854	95 748 725	215 815 836

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

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58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.5 Other price risk (Market Risk)

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The following balance is exposed to price risk:

Non-current Investments - Listed shares	199 843	185 904
-----------------------------------------	---------	---------

59 FINANCIAL INSTRUMENTS

The Municipality recognised the following financial instruments at amortised cost:

Financial Assets

Cash and Cash Equivalents	64 323 450	56 442 470
Receivables from Exchange transactions	22 168 670	18 237 687
Long-term Receivables	5 832 963	5 067 359
Total	92 325 083	79 747 516

Financial Liabilities

Payables from exchange transactions	31 877 916	39 300 501
Long-Term Liabilities	95 389 070	102 875 219
Total	127 266 986	142 175 720

60 STATUTORY RECEIVABLES

In accordance with the principles of GRAP 108, Statutory Receivables of the Municipality are classified as follows:

Taxes	2 702 895	2 844 329
Receivables from Non-Exchange Transactions	13 271 111	13 855 044
Rates	7 528 069	6 489 603
Fines	5 743 042	7 365 441
Total	15 974 006	16 699 373

As previously reported	18 145 747
Correction of error restatement - note 49.7	(1 446 374)
Restated balance	16 699 373

The amounts above are disclosed after any provision for impairment has been taken into account.

THE WATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

Figures in Rand		2017	2016
61	EVENTS AFTER REPORTING DATE		
	The Municipality had no significant events after reporting date.		
62	IN-KIND DONATIONS AND ASSISTANCE		
	The Municipality did not receive any in-kind donations or assistance during the year under review.		
63	PRIVATE PUBLIC PARTNERSHIPS (PPP's)		
	The Municipality did not enter into any PPP's in the current and prior year.		
64	CONTINGENT LIABILITIES		
	The Municipality were exposed to the following contingent liabilities at year end:		
64.1	Overberg Water	2 950 274	2 201 829
	The Municipality has lodged a dispute in respect of the tariff charged by Overberg Water regarding a capital levy. This dispute has been referred to national Treasury in terms of section 44 of the Municipal Finance Management Act.		
65	FINANCIAL SUSTAINABILITY		
	Management is of the opinion that will Municipality will continue to operate as a going concern and perform it's functions as set out in the Constitution.		
	Financial Indicators		
	The current ratio increased to 1.36:1 from 1.01:1 in the prior year.		
	The Municipality have budgeted for a surplus of R42 254 715 for the 2017/2018 financial year and surpluses of R23 070 317 and R32 504 736 for the 2016/2017 and 2017/2018 years respectively.		
	The average debtors collection rate decreased from 89.92% to 86.37%.		
	Cash and Cash Equivalents have increased during the year.		
66	RELATED PARTIES		
66.1	Related Party Loans		
	There are no loans outstanding to any related party. Since 1 July 2004 loans to councillors and		
66.2	Compensation of management personnel		
	Remuneration of management personnel are disclosed in notes 37 and 38.		

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

Figures in Rand

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RELATED PARTIES

66.3 Related Party Transactions

All rates, service charges and other charges in respect of related parties are in accordance with approved tariffs that were advertised to the public. No impairment charge have been recognised in respect of amounts owed by related parties.

	Rates	Service Charges	Other	Outstanding Balance
2017				
<u>Councillors</u>				
Cupido A	188	1 170	-	693
Carelse G	485	1 185	-	882
De Wet P	161	874	-	519
Nellie J	38	575	-	306
Punt C	908	821	-	(2 004)
Appel M	423	880	-	649
Papier K	1 631	11 751	-	1 182
Arendse JI	150	5 968	-	648
Koegelenberg M	5 717	15 997	-	(33)
November C	2 550	13 165	-	1 192
Tshabe B	3 384	4 423	-	752
Sipunzi U	124	5 043	-	413
Voloos CJM	9 648	5 976	-	2 971
Mienies RL	1 105	4 585	-	578
Lampbrecht C	4 127	5 252	-	936
Appel DA	901	3 283	-	6 340
Du Toit D	20 084	7 397	2 718	2 172
Wood C	-	4 105	-	403
Plato-Mentoor M	2 819	4 784	-	722
Total	54 444	97 233	2 718	19 323

Municipal Manager and Section 57 Employees

Isaacs J	Contract expired 01/12/2016	258	1 031	-	518
Total		258	1 031	-	518

2016

Councillors

Cupido A	1 025	6 624	-	668
Carelse G	2 650	7 674	-	753
De Wet P	881	5 229	-	488
Nellie J	205	3 244	-	286
November C	2 320	15 304	-	1 481
Papier KI	1 484	6 486	-	681
Punt C	4 959	7 883	-	883
Sipunzi U	113	5 930	-	400
Plato M	2 566	4 330	-	483
Du Toit D	18 278	5 175	2 526	1 939
Lamprecht C	3 756	5 108	-	722
Appel M	2 308	5 008	-	600
Total	40 545	77 994	2 526	9 383

Municipal Manager and Section 57 Employees

Isaacs J	-	563	2 307	240
Total	-	563	2 307	240



THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

66 RELATED PARTIES (CONTINUED)

66.3 Other transactions in terms of Section 45 of the Municipal Supply Chain Regulations.

The following awards were made where immediate family members are in the service of the State:

Company	Relationship	Position of person in service of the state	2017	2016
J & A Electriese Werke	Owner Jandre Wessels is the son-in-law of Francois du Toit	TWK Deputy Director Electrical	207 257	1 262 917
TWK TV & Video	Owner Jan Barnard is the son of Jan Barnard, TWK Director Operations	TWK Director Operations	28 910	200
Tano Vera	Owner Tania Bippert is the domestic partner of Nino Hendrick	TWK Manager IT	221 589	119 745
Villiersdorp Security	Director Leon Vosloo is the spouse of Christina Johanna Maria Vosloo TWK Speaker and the father of Chrisme Vosloo	TWK H.R. Temp	177 154	149 720
Finck Attorneys	Owner Ronald Finck is the spouse Gail Finck	TWK Senior Clerk Clearances	-	8 941
Petrol & Diesel Enjin Sentrum	Owner Petrus Pretorius is the parent-in-law of Joanne Pretorius	TWK Chief Clerk	782 288	472 815
R & L Hendricks Trust	Shareholder Robert Hendricks is the second cousin of Ashley Hendrick	TWK Manager SCM	-	-
Marshall Armature Winding	Owner Gert Koegelenberg is the spouse of Martie Koegelenberg	TWK Councillor	96 998	130 025
Mopstix Cleaning Services	Owner Altina van Niekerk is the spouse of Monroe van Niekerk	Department of Health Ambulance Medic	-	-
Adenco Construction	Director Victor Machimana is the parent of Helen Machimana; Director Machimana is the parent of Busisiwe Skosana and Director Daniel Jackson is the parent of Adele Kassner	Helen Machimana, Department of Welfare Vuyo is the Limpopo Social Worker, Busisiwe Skosana, Department of Health Gauteng Nursing Sister and Adele Kassner, Department of Education Teacher	2 982 444	7 233 900
WAM Technology	Director Willem Botes is the spouse of Stella Botes	Department of Education Teacher	49 370	53 865
Masanda Trading CC	Owner Verinica Moos is the parent-in-law of Michelle Thomas	TWK Cashier	351 984	1 266 398
ABSA Bank	Director Maria Ramos is the spouse of Trevor Manual	Minister in the Presidency	-	6 802 781
Aurecon SA - Professional Services	Parent of R Mehla and Son of G Saaiman	R Mehla, CFO: Eastern Cape Arts and Culture Council and G Saaiman, Auditor General	11 231	273 769
MH Sullivan t/a Janspeed Auto Consulting	Owner Mackman Hilton Sullivan is the son-in-law of Marius August	Technical Officer in Grabouw	4 553	855 458
Safetech	Owner Elizma Goltz is the spouse of Ronald Micheal Goltz	Fireman by the City of Cape Town	29 640	70 354
S'Cees Coffee Shop	Owner Esmaralda Dreyer is the spouse of Neville Dreyer	Health Inspector by Overberg District Municipality	48 434	25 280
Anchwin Technical Work	Owner Angus Klaasen is the spouse of Wylene Klaasen	TWK Clerk	26 360	33 670
Joseph Pedro Carpets Electrical	Owner Joseph Pedro is the grandparent of Wingreen Pedro	TWK Records Clerk	-	19 711
Howard General Services	Owner Gert Koegelenberg is the spouse of Martie Koegelenberg and owner Janse Norval is the father of Joanne Pretorius	Martie Koegelenberg, TWK Councillor and Joanne Pretorius, TWK Chief Creditors Clerk	59 028	66 534
	Owner Howard Smith is the brother-in-law of Roland Arendse and the uncle of Verhonne Arendse and Haidee Arendse	Roland Arendse, TWK Operations, Genadendal and Verhonne Arendse and Haidee Arendse, TWK, Finance	82 873	66 587

THEEWATERSKLOOF LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

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RELATED PARTIES (CONTINUED)

66.3 Other transactions in terms of Section 45 of the Municipal Supply Chain Regulations.

Company	Relationship	Position of person in service of the state	2017	2016
Fairbridges Attorneys	Director Waheeda Shreef is the spouse of Mohammed Jawodeen; Director Adela Petersen is the sister of Shaheed Hofmeester and Director Diane-Maree Rauch is the daughter-in-law of Henk Rauch	Mohammed Jawodeen, Non-Executive Director of the Central Energy Fund; Shaheed Hofmeester, a Teacher and Henk Rauch, Programme Manager at Petrosa.	350 269	188 563
Die Pienk Bicycle	Owner Dianne Phillips is the mother of Eben Phillips	Director at the Municipality of Knysna	3 100	5 000
Vinmar (Pty) Ltd	Owner Vincent van der Linde is the brother of Berdine Abrahams	TWK, Finance	-	130 968
ATC Builders	Owner Alfred Patience is the father of Tyrone Patience	IT Clerk at Department of Health	59 630	5 600
Suid-Kaap Waardeorders	Owner Stephanus de Swardt is the spouse of Anna de Swardt	Professional Nurse at the Provincial Administration of Western Cape	523 526	49 548
Maverick Trading 1088	Owner Vuyokazi Machimana is the daughter of Busiswe Skosana	General Nurse at the Department of Health Gauteng	107 935	103 712
EM Mobile Car Wash and Cleaning Services	Owner Elizabeth Marthinus is the spouse of Charles Martinus and the mother of Quwin Marthinus	Charles Martinus, EMS Services and Quwin Marthinus, Teacher, Western Cape Education Deaprtment	5 180	2 925
Carol-Ann Pedro Contractors	Owner Carol-Ann Pedro is the mother of Wingreen Pedro	TWK Records Clerk	168 434	150 999
TWK Hardware and Tools	Owner Telpha Smit is the son of Delia Saptoe	Teacher at the Western Cape Education Department	-	2 000
SMEC SA	Director Nakedi Phosa is the spouse of Yvonne Phosa	Chairperson at the Parliament of South Africa	-	16 758
NCC Environmental Services (Pty) Ltd	Director Linden Rhode is the spouse of Cahndre Rhode	Clerk at the City of Cape Town	18 707	88 179
Kemanzi	Director Hazel du Toit is the Spouse of Mr. J. du Toit	Inspector Driver's Licences at the CoCT	218 241	-
Forfebs (Pty) Ltd	Director Margaret February is the parent of Stephanie February	Clerk at the Department of Health	113 395	-
S.C. Martin	Owner Stanton Martin is the brother of Annielle Martin	TWK, Senior Administrator	7 790	-
Nova Civils (Pty) Ltd	Director Areal Andries is the fiance of Derrick Appel	TWK Councillor	114 708	-
JLA Logistics (Pty) Ltd	Director Janine Cupido is the cousin of Wingreen Pedro	TWK Records Clerk	246 718	-
FCR Abrahams	Owner Frank Abrahams is the spouse of Berdine Abrahams	TWK Debtors Clerk	200 618	-
Bergstan South Africa	Director Cobin Beukes is the spouse of Jacqueline Beukes	Social Worker	112 157	-
Greyton Repairs	Owner Riaan Groenewald is the spouse of Gail Groenewald	TWK Principle Clerk	3 950	-
Total			7 414 474	19 656 921

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX A (UNAUDITED)

SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDING 30 JUNE 2017

INSTITUTION	LOAN NUMBER	RATE	MATURITY DATE	OPENING BALANCE 1 JULY 2016	RECEIVED DURING YEAR	REDEEMED DURING YEAR	CLOSING BALANCE 30 JUNE 2017
ANNUITY LOANS							
DBSA BANK - 10 & 20 year	Loan No. 102807/1	10.74%	30/06/2028	8 033 423	-	(768 753)	7 264 670
DBSA BANK - 10 & 20 year	Loan No. 103108/1	11.44%	30/09/2028	8 392 095	-	(392 092)	8 000 003
ABSA BANK - 11 year	10858/1 (Electricity, Water, Sewerage)	11.14%	31/12/2018	494 389	-	(186 985)	307 404
ABSA BANK - 11 year	10858/2 (Sewerage)	11.14%	31/12/2018	64 963	-	(17 966)	46 997
DBSA BANK - 20 year	13343(Electricity)	16.50%	31/12/2019	90 881	-	(21 045)	69 836
DBSA BANK - 20 year	13705/102 (Electricity)	15.75%	30/06/2020	48 186	-	(9 457)	38 728
DBSA BANK - 20 year	103313.1	9.85%	31/03/2029	18 781 280	-	(762 213)	18 019 067
DBSA BANK - 15 year	103313.2	9.97%	31/03/2024	4 577 788	-	(397 388)	4 180 400
DBSA BANK - 10 year	103313.3	10.00%	31/03/2019	434 279	-	(130 931)	303 349
STANDARD BANK - 7 year	72480009	11.67%	31/07/2017	286 434	-	(185 447)	100 987
STANDARD BANK - 10 year	72479981	11.72%	31/07/2020	1 775 315	-	(319 447)	1 455 868
DBSA BANK - 20 year	103817/3	11.06%	31/12/2030	10 086 964	-	(304 748)	9 782 216
STANDARD BANK - 15 year	272400572	12.22%	30/06/2026	6 864 239	-	(380 340)	6 483 900
ABSA BANK - 7 year	406885872	10.45%	30/06/2018	1 084 868	-	(514 831)	570 037
ABSA BANK - 15 year	40-7908-8994	10.79%	27/06/2027	10 181 190	-	(518 537)	9 662 653
ABSA BANK - 7 year	40-7908-9071	9.42%	27/06/2019	4 267 682	-	(1 293 805)	2 973 877
ABSA BANK - 7 year	8259-8788	8.25%	27/06/2019	191 234	-	(58 666)	132 568
ABSA BANK - 7 year	8259-9091	8.25%	27/06/2019	49 260	-	(15 112)	34 148
ABSA BANK - 7 year	8259-9741	8.25%	27/06/2019	303 907	-	(93 232)	210 675
ABSA BANK - 7 year	387230962	10.09%	21/06/2021	2 342 250	-	(381 074)	1 961 176
ABSA BANK - 10 year	387230963	10.63%	27/06/2024	7 228 543	-	(611 658)	6 616 885
Total Annuity Loans				85 579 170	-	(7 363 728)	78 215 444
FINANCE LEASE LIABILITIES							
30 Laptops	DFA Solutions	23%	30/06/2018	273 077	-	(122 422)	150 655
Total Finance Lease Liabilities				273 077	-	(122 422)	150 655
STOCK LOANS							
DBSA BANK - 20 year	Loan No. 102275/4&5	9%	31/03/2027	10 022 971	-	-	10 022 971
DBSA BANK - 20 year	Loan No. 101487/1 Electricity	9%	31/12/2024	6 873 758	-	-	6 873 758
DBSA BANK	Loan No. 101487/4 Admin/Corp/Refuse	10%	31/12/2019	126 242	-	-	126 242
Total Stock Loans				17 022 971	-	-	17 022 971
Total Long-Term Liabilities				102 875 218	-	(7 486 149)	95 389 070

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX B (UNAUDITED)

DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2017

	OPENING BALANCE R	GRANTS RECEIVED / (REPAID) R	TRANSFERRED TO REVENUE (OPERATING) R	TRANSFERRED TO REVENUE (CAPITAL) R	OTHER MOVEMENT R	CLOSING BALANCE R
NATIONAL GOVERNMENT						
Equitable Share	-	69 861 373	(69 861 373)	-	-	-
Finance Management Grant (FMG)	476 176	1 148 824	(1 625 000)	-	-	-
Municipal Systems Improvement Grant (MSIG)	-	-	-	-	-	-
Municipal Infrastructure Grant (MIG)	5 048	25 198 952	(3 744 817)	(19 909 999)	-	1 549 184
Expanded Public Works Programme (EPWP)	-	1 104 000	(1 048 719)	-	(53 458)	1 822
Integrated National Electrification Programme (INEP)	247 148	6 252 852	(798 000)	(5 702 000)	-	-
Regional Bulk Infrastructure Grant (RBIG)						
Municipal Disaster Recovery						
Total	728 372	103 566 001	(77 077 909)	(25 611 999)	(53 458)	1 551 006
PROVINCIAL GOVERNMENT						
Housing	801 472	24 971 301	(7 880 900)	(11 353 910)	-	6 537 963
CDW Contribution	1 245	113 000	(122 289)	-	8 044	-
Thusong Multi Purpose Centre	25 590	212 000	(224 885)	-	-	12 705
Violence Prevention through Urban Upgrading	-	-	-	-	-	-
Main Roads Subsidy	31 800	117 000	(117 000)	-	-	31 800
Financial Support Grant	1 003 860	220 000	(527 000)	-	-	696 860
Library Subsidy	388 786	7 535 000	(7 950 452)	-	26 666	-
Municipal Capacity Building Grant	500 000	320 000	(120 000)	-	-	700 000
Local Government Graduate Internship Allocation	-	60 000	-	-	-	60 000
Total	2 752 753	33 548 301	(16 942 527)	(11 353 910)	34 710	8 039 328
OTHER GRANT PROVIDERS						
DBSA Local Economic Development	1 777 683	-	(93 505)	(1 450 000)	-	234 178
SETA	-	277 562	(277 562)	-	-	-
SANRAL	-	-	(152 765)	-	152 765	-
Total	1 777 683	277 562	(523 832)	(1 450 000)	152 765	234 178
ALL SPHERES OF GOVERNMENT	5 258 808	137 391 864	(94 544 268)	(38 415 910)	134 017	9 824 512

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

	ORIGINAL BUDGET 2017		BUDGET ADJUSTMENTS 2017		FINAL BUDGET 2017		ACTUAL OUTCOME 2017		BUDGET VARIANCE 2017		RESTATED OUTCOME 2016	
	R		R		R		R		R		R	
Financial Performance												
Property rates	83 765 658		(498 409)		83 267 249		85 872 817		2 605 568		75 778 391	
Service charges	179 739 197		11 405 169		191 144 366		193 926 329		2 781 963		176 341 652	
Investment revenue	5 000 000		500 000		5 500 000		7 323 159		1 823 159		7 322 774	
Transfers recognised - operational	130 562 804		(5 566 801)		124 996 003		95 491 269		(29 504 734)		128 046 578	
Other own revenue	47 236 986		(4 169 360)		43 067 626		60 839 059		17 771 433		63 061 304	
Total Operating Revenue (excluding capital transfers)	446 304 645		1 670 599		447 975 244		443 452 633		(4 522 611)		450 550 699	
Employee costs	171 729 799		(5 552 967)		166 176 832		166 897 769		720 937		154 658 771	
Remuneration of councillors	10 990 305		(573 895)		10 416 410		9 986 691		(429 719)		8 939 372	
Debt impairment	43 653 800		15 436 720		59 090 520		60 300 032		1 209 512		48 810 858	
Depreciation and asset impairment	27 262 818		(1 010 930)		26 251 888		23 097 207		(3 154 681)		24 695 283	
Finance charges	12 761 600		2 700 000		15 461 600		14 237 969		(1 223 631)		14 705 133	
Materials and bulk purchases	67 129 354		-		67 129 354		67 125 660		(3 694)		62 105 258	
Transfers and grants	1 500 000		800 000		2 300 000		2 285 090		(14 910)		1 213 827	
Other expenditure	133 420 439		(11 449 955)		121 970 484		88 793 403		(33 177 081)		124 398 535	
Total Expenditure	468 448 115		348 973		468 797 088		432 723 821		(36 073 267)		439 527 037	
Surplus/(Deficit)	(22 143 470)		1 321 626		(20 821 844)		10 728 812		31 550 656		11 023 662	
Transfers recognised - capital	34 365 537		3 781 712		38 147 249		38 415 910		268 661		33 352 874	
Contributed Assets	-		-		-		147 049		147 049		-	
Surplus/(Deficit) for the year	12 222 067		5 103 338		17 325 405		49 291 771		31 966 366		44 376 536	
Capital expenditure & funds sources												
Capital expenditure	58 031 040		18 615 122		76 646 162		63 010 433		(13 635 729)		64 674 742	
Transfers recognised - capital	34 365 537		10 448 509		44 814 046		38 827 860		(5 986 186)		36 710 242	
Public contributions & donations	-		-		-		-		-		-	
Borrowing	11 358 965		2 430 269		13 789 234		11 904 809		(1 884 425)		7 455 946	
Internally generated funds	12 306 538		5 736 344		18 042 882		12 277 764		(5 765 118)		20 508 554	
Total sources of capital funds	58 031 040		18 615 122		76 646 162		63 010 433		(13 635 729)		64 674 742	
Cash flows												
Net cash from (used) operating	35 135 758		17 613 472		52 749 230		76 980 693		24 231 463		60 818 965	
Net cash from (used) investing	(65 488 432)		(3 774 853)		(69 263 285)		(62 020 895)		7 242 390		(65 568 732)	
Net cash from (used) financing	3 981 000		2 579 931		6 560 931		(7 078 818)		(13 639 749)		(7 270 453)	
Net Cash Movement for the year	(26 371 674)		16 418 551		(9 953 123)		7 880 980		17 834 103		(12 020 221)	
Cash/cash equivalents at beginning of year	50 927 899		5 514 567		56 442 466		56 442 470		3		68 462 691	
Cash/cash equivalents at the year end	24 556 225		21 933 118		46 489 343		64 323 450		17 834 107		56 442 471	

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

	ORIGINAL BUDGET		BUDGET ADJUSTMENTS		FINAL BUDGET		ACTUAL OUTCOME		BUDGET VARIANCE		RESTATE OUTCOME	
	2017	R	2017	R	2017	R	2017	R	2017	R	2016	R
REVENUE (STANDARD CLASSIFICATION)												
Governance and administration												
Executive and council	218 000		691 135		909 135		7 166 499		6 257 364		7 762 790	
Budget and treasury office	180 427 636		4 479 617		184 907 253		190 600 535		5 693 282		181 419 286	
Corporate services	3 967 060		264 661		4 231 721		(3 995 515)		(8 227 236)		(594 004)	
Community and public safety												
Community and social services	8 165 474		388 793		8 554 267		8 331 159		(223 108)		7 170 858	
Sport and recreation	68 849		(22 387)		46 462		(948 562)		(995 024)		(672 509)	
Public safety	27 284 534		(4 764 803)		22 519 731		31 111 344		8 591 613		31 275 485	
Housing	51 577 000		(9 198 528)		42 378 472		19 234 810		(23 143 662)		50 822 915	
Economic and environmental services												
Planning and development	2 344 470		609 464		2 953 934		5 085 902		2 131 968		5 238 633	
Road transport	6 259 915		3 899 941		10 159 856		4 553 807		(5 606 049)		5 423 374	
Trading services												
Electricity	81 340 038		2 408 047		83 748 085		85 211 516		1 463 431		82 782 941	
Water	55 270 316		6 873 771		62 144 087		69 464 649		7 320 562		51 759 672	
Waste water management	30 065 811		0		30 065 811		31 702 963		1 637 152		30 288 619	
Waste management	33 681 079		(182 400)		33 498 679		34 496 485		997 806		31 225 513	
Total Revenue - Standard	480 670 182		5 447 311		486 117 493		482 015 592		(4 101 901)		483 903 573	
EXPENDITURE (STANDARD CLASSIFICATION)												
Governance and administration												
Executive and council	33 236 698		(2 227 053)		31 009 645		29 787 539		(1 222 106)		28 069 695	
Budget and treasury office	41 429 099		(1 417 506)		40 011 593		39 959 179		(52 414)		38 597 004	
Corporate services	68 375 313		(11 934 486)		56 440 827		54 282 842		(2 157 985)		52 599 043	
Community and public safety												
Community and social services	8 153 935		389 841		8 543 776		7 732 366		(811 410)		6 283 269	
Sport and recreation	8 858 969		(606 631)		8 252 338		7 821 783		(430 555)		7 667 055	
Public safety	38 212 776		10 035 541		48 248 317		47 866 614		(381 703)		40 843 338	
Housing	50 187 896		(14 325 775)		35 862 121		12 781 486		(23 080 635)		48 556 932	
Economic and environmental services												
Planning and development	11 582 206		(544 742)		11 037 464		10 025 040		(1 012 424)		9 537 344	
Road transport	34 547 238		(3 474 222)		31 073 016		30 352 888		(720 128)		28 776 952	
Environmental Protection	40 229		(40 229)		-		-		-		-	
Trading services												
Electricity	69 340 624		663 691		70 004 315		69 078 604		(925 711)		64 006 060	
Water	46 031 668		3 709 962		49 741 630		47 713 750		(2 027 880)		42 023 348	
Waste water management	28 352 366		2 859 679		31 212 045		31 127 083		(84 962)		28 515 017	
Waste management	30 099 098		17 260 674		47 359 772		44 194 512		(3 165 260)		44 050 169	
Total Expenditure - Standard	468 448 115		348 744		468 796 859		432 723 686		(36 073 173)		439 525 226	
Surplus/(Deficit) for the year	12 222 067		5 098 567		17 320 634		49 291 906		31 971 272		44 378 347	

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NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)

REVENUE

	ORIGINAL BUDGET 2017 R	BUDGET ADJUSTMENTS 2017 R	FINAL BUDGET 2017 R	ACTUAL OUTCOME 2017 R	BUDGET VARIANCE 2017 R	RESTATE OUTCOME 2016 R
Vote 1 - Executive & Council	1 326 339	690 796	2 017 135	8 220 813	6 203 678	9 851 247
Vote 2 - Finance & Admin	155 475 600	4 744 617	160 220 217	158 963 527	(1 256 690)	150 102 136
Vote 3 - Planning & Development	2 344 470	609 464	2 953 934	5 085 902	2 131 968	5 238 633
Vote 4 - Community & Social Services	8 165 474	388 793	8 554 267	8 331 159	(223 108)	7 170 858
Vote 5 - Housing	51 577 000	(9 198 528)	42 378 472	19 234 810	(23 143 662)	50 822 915
Vote 6 - Public Safety	27 284 534	(4 764 803)	22 519 731	31 111 344	8 591 613	31 275 485
Vote 7 - Sport & Recreation	68 849	(22 387)	46 462	(948 562)	(995 024)	(672 509)
Vote 8 - Environmental Protection	-	-	-	-	-	-
Vote 9 - Waste Management	33 681 079	(182 400)	33 498 679	34 496 485	997 806	31 225 513
Vote 10 - Waste Water Management	30 065 811	0	30 065 811	31 702 963	1 637 152	30 288 619
Vote 11 - Roads Transport	6 259 915	3 899 941	10 159 856	4 553 807	(5 606 049)	5 423 374
Vote 12 - Water	55 270 316	6 873 771	62 144 087	69 464 649	7 320 562	51 759 672
Vote 13 - Electricity	81 340 038	2 408 047	83 748 085	85 211 516	1 463 431	82 782 941
Vote 14 - Other	27 810 757	-	27 810 757	26 587 179	(1 223 578)	28 634 689
Total Revenue by Vote	480 670 182	5 447 311	486 117 493	482 015 592	(4 101 901)	483 903 573

EXPENDITURE

Vote 1 - Executive & Council	66 984 010	(4 092 421)	62 891 589	61 114 896	(1 776 693)	59 226 006
Vote 2 - Finance & Admin	69 593 352	(10 140 346)	59 453 006	58 840 195	(612 811)	55 145 013
Vote 3 - Planning & Development	15 369 182	(999 496)	14 369 686	12 424 546	(1 945 140)	12 907 091
Vote 4 - Community & Social Services	8 153 935	389 841	8 543 776	7 732 366	(811 410)	6 283 269
Vote 5 - Housing	50 187 896	(14 325 775)	35 862 121	12 781 486	(23 080 635)	48 556 932
Vote 6 - Public Safety	38 212 776	10 035 541	48 248 317	47 866 614	(381 703)	40 843 338
Vote 7 - Sport & Recreation	8 858 969	(606 631)	8 252 338	7 821 783	(430 555)	7 667 055
Vote 8 - Environmental Protection	40 229	(40 000)	229	135	(94)	1 811
Vote 9 - Waste Management	30 099 098	17 260 674	47 359 772	44 194 512	(3 165 260)	44 050 169
Vote 10 - Waste Water Management	28 352 366	2 859 679	31 212 045	31 127 083	(84 962)	28 515 017
Vote 11 - Roads Transport	34 547 238	(3 474 222)	31 073 016	30 352 888	(720 128)	28 776 952
Vote 12 - Water	46 031 668	3 709 962	49 741 630	47 713 750	(2 027 880)	42 023 348
Vote 13 - Electricity	69 340 624	663 691	70 004 315	69 078 604	(925 711)	64 006 060
Vote 14 - Other	2 676 772	(891 524)	1 785 248	1 674 963	(110 285)	1 524 976
Total Expenditure by Vote	468 448 115	348 973	468 797 088	432 723 821	(36 073 267)	439 527 037

Surplus/(Deficit) for the year

31 971 366

49 291 771

17 320 405

5 098 338

12 222 067

44 376 536



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APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

	ORIGINAL BUDGET 2017 R	BUDGET ADJUSTMENTS 2017 R	FINAL BUDGET 2017 R	ACTUAL OUTCOME 2017 R	BUDGET VARIANCE 2017 R	RESTATE OUTCOME 2016 R
REVENUE AND EXPENDITURE						
REVENUE BY SOURCE						
Property rates	83 765 658	(498 409)	83 267 249	85 872 817	2 605 568	75 778 391
Service charges - electricity revenue	78 184 373	1 063 712	79 248 085	80 097 564	849 479	73 608 011
Service charges - water revenue	49 219 230	10 523 857	59 743 087	59 574 889	(168 198)	49 993 821
Service charges - sanitation revenue	24 571 711	-	24 571 711	25 607 059	1 035 348	24 978 083
Service charges - refuse revenue	27 394 421	(182 400)	27 212 021	27 526 516	314 495	25 222 034
Service charges - other	369 462	-	369 462	1 120 301	750 839	2 539 703
Rental of facilities and equipment	1 623 389	(10 803)	1 612 586	1 657 968	45 382	1 550 997
Interest earned - external investments	5 000 000	500 000	5 500 000	7 323 159	1 823 159	7 322 774
Interest earned - outstanding debtors	7 212 240	787 760	8 000 000	9 868 219	1 868 219	7 721 117
Fines	27 044 565	(5 000 000)	22 044 565	30 620 935	8 576 370	30 983 076
Licences and permits	2 597 904	(723 259)	1 874 645	2 035 510	160 865	2 274 198
Agency services	2 813 742	-	2 813 742	2 865 214	51 472	2 667 145
Transfers recognised - operating	130 562 804	(5 566 801)	124 996 003	95 491 269	(29 504 734)	128 046 578
Other revenue	3 563 591	776 942	4 340 533	13 494 475	9 153 942	17 864 771
Gains on disposal of PPE	2 381 555	-	2 381 555	296 738	(2 084 817)	-
Total Revenue (excl capital transfers)	446 304 645	1 670 599	447 975 244	443 452 633	(4 522 611)	450 550 699
EXPENDITURE BY TYPE						
Employee related costs	171 729 799	(5 552 967)	166 176 832	166 897 769	720 937	154 658 771
Remuneration of councillors	10 990 305	(573 895)	10 416 410	9 986 691	(429 719)	8 939 372
Debt impairment	43 653 800	15 436 720	59 090 520	60 300 032	1 209 512	48 810 858
Depreciation and asset impairment	27 262 818	(1 010 930)	26 251 888	23 097 207	(3 154 681)	24 695 283
Finance charges	12 761 600	2 700 000	15 461 600	14 237 969	(1 223 631)	14 705 133
Bulk purchases	67 129 354	-	67 129 354	67 125 660	(3 694)	62 105 258
Contracted Services	23 319 818	(579 788)	22 740 030	21 082 635	(1 657 395)	20 941 356
Transfers and grants	1 500 000	800 000	2 300 000	2 285 090	(14 910)	1 213 827
Other expenditure	110 100 621	(10 870 167)	99 230 454	67 710 768	(31 519 686)	97 659 382
Loss on disposal of PPE	-	-	-	-	-	5 797 797
Total Expenditure	468 448 115	348 973	468 797 088	432 723 821	(36 073 267)	439 527 037
Surplus/(Deficit)	(22 143 470)	1 321 626	(20 821 844)	10 728 812	31 550 656	11 023 662
Transfers recognised - capital	34 365 537	3 781 712	38 147 249	38 415 910	268 661	33 352 874
Contributed Assets	-	-	-	147 049	147 049	-
Surplus/(Deficit) for the year	12 222 067	5 103 338	17 325 405	49 291 771	31 966 366	44 376 536

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NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

	ORIGINAL BUDGET 2017 R	BUDGET ADJUSTMENTS 2017 R	FINAL BUDGET 2017 R	ACTUAL OUTCOME 2017 R	BUDGET VARIANCE 2017 R	RESTATE OUTCOME 2016 R
CAPITAL EXPENDITURE						
CAPITAL EXPENDITURE (MUNICIPAL VOTE)						
Multi-year expenditure						
Vote 1 - Executive & Council	-	-	-	-	-	-
Vote 2 - Finance & Admin	-	-	-	-	-	-
Vote 3 - Planning & Development	-	-	-	-	-	-
Vote 4 - Community & Social Services	-	780 370	780 370	504 478	(275 892)	-
Vote 5 - Housing	7 212 660	4 475 812	11 688 472	11 394 579	(293 893)	7 069 326
Vote 6 - Public Safety	-	-	-	-	-	-
Vote 7 - Sport & Recreation	-	-	-	-	-	-
Vote 8 - Environmental Protection	-	-	-	-	-	-
Vote 9 - Waste Management	1 105 260	-	1 105 260	1 029 569	(75 691)	-
Vote 10 - Waste Water Management	5 184 340	(664 475)	4 519 865	4 365 914	(153 951)	-
Vote 11 - Roads Transport	1 526 320	(1 331 365)	194 955	194 955	(0)	-
Vote 12 - Water	219 300	-	219 300	219 300	-	-
Vote 13 - Electricity	-	-	-	-	-	-
Vote 14 - Other	-	-	-	-	-	-
Total Multi-year expenditure	15 247 880	3 260 342	18 508 222	17 708 795	(799 427)	7 069 326
Single-year expenditure						
Vote 1 - Executive & Council	2 130 300	2 106 859	4 237 159	2 938 922	(1 298 237)	6 719 606
Vote 2 - Finance & Admin	550 297	979 604	1 529 901	856 843	(673 058)	1 688 988
Vote 3 - Planning & Development	-	-	-	-	-	294 889
Vote 4 - Community & Social Services	826 000	(251 000)	575 000	160 919	(414 081)	444 126
Vote 5 - Housing	-	-	-	-	-	-
Vote 6 - Public Safety	160 000	(72 846)	87 154	75 158	(11 995)	222 528
Vote 7 - Sport & Recreation	750 000	801 795	1 551 795	1 345 804	(205 991)	3 198 884
Vote 8 - Environmental Protection	-	-	-	-	-	-
Vote 9 - Waste Management	2 280 710	-	2 280 710	1 869 870	(410 840)	3 000 000
Vote 10 - Waste Water Management	15 945 262	3 254 143	19 199 405	16 870 333	(2 329 072)	18 856 558
Vote 11 - Roads Transport	-	4 979 529	4 979 529	500 687	(4 478 842)	3 517 762
Vote 12 - Water	8 397 181	3 342 700	11 739 881	9 163 105	(2 576 776)	6 580 831
Vote 13 - Electricity	11 743 410	213 996	11 957 406	11 519 997	(437 409)	13 081 243
Vote 14 - Other	-	-	-	-	-	-
Total Single-year expenditure	42 783 160	15 354 780	58 137 940	45 301 638	(12 836 302)	57 605 415
Total Capital Expenditure by Vote	58 031 040	18 615 122	76 646 162	63 010 433	(13 635 729)	64 674 742

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NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2017

CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)

	ORIGINAL BUDGET 2017 R	BUDGET ADJUSTMENTS 2017 R	FINAL BUDGET 2017 R	ACTUAL OUTCOME 2017 R	BUDGET VARIANCE 2017 R	RESTATE OUTCOME 2016 R
Governance and administration						
Executive and council	1 797 500	339 846	2 137 346	1 524 389	(612 957)	1 376 866
Budget and treasury office	40 297	-	40 297	9 205	(31 092)	32 152
Corporate services	842 800	2 746 617	3 589 417	2 262 170	(1 327 247)	7 294 466
Community and public safety						
Community and social services	826 000	529 370	1 355 370	665 397	(689 973)	444 126
Sport and recreation	750 000	801 795	1 551 795	1 345 804	(205 991)	3 198 884
Public safety	160 000	(72 846)	87 154	75 158	(11 995)	222 528
Housing	7 212 660	4 475 812	11 688 472	11 394 579	(293 893)	7 069 326
Economic and environmental services						
Planning and development	-	-	-	-	-	-
Road transport	1 526 320	3 648 164	5 174 484	695 642	(4 478 842)	3 517 762
Environmental protection	-	-	-	-	-	-
Trading services						
Electricity	11 743 410	213 996	11 957 406	11 519 997	(437 409)	13 081 243
Water	8 616 481	3 342 700	11 959 181	9 382 405	(2 576 776)	6 580 831
Waste water management	21 129 602	2 589 668	23 719 270	21 236 247	(2 483 023)	18 856 558
Waste management	3 385 970	-	3 385 970	2 899 439	(486 531)	3 000 000
Total Capital Expenditure - Standard	58 031 040	18 615 122	76 646 162	63 010 433	(13 635 729)	64 674 742

CAPITAL EXPENDITURE (CONTINUED)

FUNDING SOURCES

National Government	27 152 877	4 522 696	31 675 573	25 981 560	(5 694 013)	29 330 916
Provincial Government	7 212 660	4 475 812	11 688 472	11 404 707	(283 765)	7 379 326
District Municipality	-	-	-	-	-	-
Other transfers and grants	-	1 450 001	1 450 001	1 441 593	(8 408)	-
Transfers recognised - capital	34 365 537	10 448 509	44 814 046	38 827 860	(5 986 186)	36 710 242
Public contributions & donations	-	-	-	-	-	-
Borrowing	11 358 965	2 430 269	13 789 234	11 904 809	(1 884 425)	7 455 946
Internally generated funds	12 306 538	5 736 344	18 042 882	12 277 764	(5 765 118)	20 508 554
Total Capital Funding	58 031 040	18 615 122	76 646 162	63 010 433	(13 635 729)	64 674 742



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CASH FLOWS	ORIGINAL BUDGET 2017 R	BUDGET ADJUSTMENTS 2017 R	FINAL BUDGET 2017 R	ACTUAL OUTCOME 2017 R	BUDGET VARIANCE 2017 R	RESTATE OUTCOME 2016 R
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates, penalties & collection charges	79 564 034	(4 623 510)	74 940 524	79 639 759	4 699 235	73 630 507
Service charges	159 063 086	12 966 843	172 029 929	170 541 163	(1 488 766)	160 015 108
Other revenue	17 662 203	(2 175 893)	15 486 310	26 851 637	11 365 327	14 447 150
Government - operating	130 562 804	(7 386 901)	123 175 903	98 975 954	(24 199 949)	121 690 745
Government - capital	34 365 537	2 980 240	37 345 777	38 415 910	1 070 133	33 352 874
Interest	9 922 527	(422 527)	9 500 000	7 323 159	(2 176 841)	7 322 774
Payments						
Suppliers and employees	(383 042 833)	18 978 740	(364 064 093)	(332 145 909)	31 918 184	(337 219 949)
Finance charges	(11 461 600)	(1 903 520)	(13 365 120)	(10 335 889)	3 029 231	(11 206 417)
Transfers and grants	(1 500 000)	(800 000)	(2 300 000)	(2 285 090)	14 910	(1 213 827)
NET CASH FROM OPERATING ACTIVITIES	35 135 758	17 613 472	52 749 230	76 980 693	24 231 463	60 818 965
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	2 381 555	-	2 381 555	1 908 478	(473 077)	-
Decrease (increase) other non-current receivables	(6 811)	8 132	1 321	-	(920 261)	-
Decrease (increase) in non-current investments	(9 832 136)	9 832 136	-	(918 940)	-	(893 991)
Payments						
Capital assets	(58 031 040)	(13 615 121)	(71 646 161)	(63 010 433)	8 635 728	(64 674 742)
NET CASH USED IN INVESTING ACTIVITIES	(65 488 432)	(3 774 853)	(69 263 285)	(62 020 895)	7 242 390	(65 568 732)
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Borrowing long term/refinancing	11 358 965	2 430 269	13 789 234	-	(13 789 234)	-
Increase (decrease) in consumer deposits	247 602	10 244	257 846	407 331	149 485	404 319
Payments						
Repayment of borrowing	(7 625 567)	139 418	(7 486 149)	(7 486 149)	(0)	(7 674 772)
NET CASH FROM FINANCING ACTIVITIES	3 981 000	2 579 931	6 560 931	(7 078 818)	(13 639 749)	(7 270 453)
NET INCREASE/ (DECREASE) IN CASH HELD	(26 371 674)	16 418 551	(9 953 123)	7 880 980	17 834 103	(12 020 221)
Cash/cash equivalents at the year begin:	50 927 899	5 514 567	56 442 466	56 442 470	3	68 462 691
Cash/cash equivalents at the year end:	24 556 225	21 933 118	46 489 343	64 323 450	17 834 107	56 442 470